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NATO Fixes Targets for Air Strikes Against Serbs

By Craig R. Whitney
New York Times Service
BRUSSELS—NATO on Monday approved procedures and targets for air strikes against Serbian forces, should they keep up their "strangulation" of Sarajevo, but the allies said they would not start bombing missions without specific approval by the secretary-general of the United Nations.

Although the North Atlantic Treaty Organization already has in place airplanes and coordination procedures with UN peacekeeping forces in Bosnia-Herzegovina, officials said the bombers would not go into action unless the Serbs kept tightening the noose around Sarajevo and other besieged areas, and then only after all 16 allies had met in Brussels again to approve.

Citizens administration officials who had urged the allies to act on their own initiative and had tried to minimize the extent of UN control over possible NATO military action, insisted that Monday's agreement was a success. It reiterated but in some ways also qualified a threat the United States persuaded the allies to make Aug. 3.

"Now it is up to the Serbs whether the air strikes will occur," said Stephen Oxman, U.S. assistant secretary of state for European and Canadian affairs. "We are ready to act."

"It is essential that the Bosnian Serbs lift without delay the siege of Sarajevo," NATO's secretary-general, Manfred Wörner, said after the meeting Monday. "If not, the Council will meet immediately to consider the use of air power."

The statement also said that Serbian-occupied heights around the Bosnian capital had to be put under UN control.

"The principal and basic objectives of the United States have been reached to an extent, some might have believed impossible originally," Mr. Wörner said. "Some compromises had to be made."

Other officials said the United States had recognized this and had pushed a decision through in only four hours by taking French, British, and Canadian objections to more forceful action into account and presenting a new proposal as a joint draft.

Britain, France, Spain and other European allies, unlike the United States, have thousands of soldiers in the UN force in Bosnia and are worried about bombing errors, as well as

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Prime Minister Morihiro Hosokawa sharing a toast with members of his new cabinet in Tokyo on Monday. From left are Tsutomu Hata, the foreign minister; Mr. Hosokawa; Sadao Yamahata, minister for political reform; Koshiro Ishida, state minister for management and coordination, and Masayoshi Takemura, chief cabinet secretary.

New Japanese Cabinet, Same Economic Script

By Steven Brill
International Herald Tribune
TOKYO—No opening of the rice market. No caving in to American demands for trade targets. No cutting income taxes to breathe life into the stagnant economy.

While the names are new, the first comments from the cabinet ministers in charge of Japanese economic policy sound remarkably similar to those of the Liberal Democratic Party officials who have just been ousted from power after 38 years.

In fact, the men appointed Monday by Prime Minister Morihiro Hosokawa to direct the Finance Ministry and the Ministry of International Trade and Industry are both former Liberal Democrats who began their careers as bureaucrats in the ministries they now lead.

Mr. Hosokawa named Hirohisa Fujii, 61, to head the Finance Ministry and Hiroshi Kumagai, 53, to lead the trade ministry.

"The faces have changed, but policy and policy-making is likely to follow established conservative patterns," said Jesper Koll, economist at S.G. Warburg Securities.

The governing coalition has expressed a commitment to reform policies by making it more representative and free of corruption.

And Mr. Hosokawa's cabinet is the most diverse in Japan's postwar history, including representatives from seven parties. Three of the 20 appointees are women. (Page 6)

But in economic policy, the new government stressed continuity and stability in its choice of cabinet members for the main ministries. The appointments reflected a desire to avoid conflict with bureaucrats at economic See JAPAN, Page 13

Kohl Doubts Timetable for Single EC Currency

By Ferdinand Proizman
New York Times Service
BONN—Chancellor Helmut Kohl cast doubt Monday on the European Community's timetable for creating a single currency by 1999, saying strict adherence to the economic criteria laid down in the Maastricht Treaty on European Union might delay the process by a year or two.

It marked the first time the head of a European Community nation has said publicly that the timetable for monetary union might not be kept. But Mr. Kohl stressed that Germany's commitment to the goal of European union remained unchanged. The chancellor made his remarks in an interview with Germany's SAT-1 television network.

Mr. Kohl also made his first public comment on last week's currency crisis, which resulted in seven of the nine currencies in the European Community's exchange mechanism being effectively allowed to float in a broad range against the Deutsche mark. France, whose currency was the target of speculative selling that sparked the crisis, began to try its new freedom to cut interest rates on Monday. (Page 9)

The chancellor praised Germany's handling of the crisis and said the real problem underlying the turmoil in the foreign-exchange market was the failure of the EC nations to put their public finances in order.

To do that, he called for rigid adherence to the so-called convergence criteria laid down in the Maastricht treaty, which call for creation of a single currency by 1999. The criteria require the 12 EC nations to harmonize their budget deficits, inflation rates, public-sector debt and other economic indicators at specific levels as precondition for monetary union.

"We must not on account ease the very strict conditions for national economies, for the budget and debt situation, but must maintain the strict measures and commitments of the Maastricht treaty," Mr. Kohl said.

Mr. Kohl said that if adhering to the criteria means that "the timetable now envisaged is delayed by one or two years — and I don't know this, nobody knows this — then I ask, what does that change in the basic course?"

Economists agreed that even before the crisis, it had become increasingly apparent that the timetable for monetary union would have to be extended.

"Delaying the timetable has been in the cards for some time now," said J. Paul Home, international economist with Smith Barney Shearson in Paris. "If the timetable is changed, then the process gains credibility. But if you loosen the criteria, then things begin to get all fuzzy and monetary union is threatened."

According to Mr. Kohl, Germany's commitment to European union was shown by its actions in the currency crisis.

"We Germans have in recent days demonstrated our European convictions," he said. "The close and good cooperation between the Bundesbank and government has proved its worth, especially this time."

Many economic experts say the crisis was triggered by the Bundesbank, which has kept interest rates relatively high to counter inflationary pressures stemming from the government's massive borrowing to pay for unity with the formerly Communist East.

Interviewed while vacationing in Austria, Mr. Kohl disputed the claim that German officials had isolated the French government in the 11th-hour deliberations to Brussels that resulted in new, wider trading bands for most of the European Monetary System currencies. France had suggested temporarily removing the Deutsche mark from the EMS as the solution to the crisis.

"We did not isolate the French. If the French made the proposal, let us not beat around the bush, that the mark should leave the system for a while, then that was a matter for the French," Mr. Kohl said, adding that the French suggestion had surprised him.

He said he immediately responded by asking, "do you think the others want this?" and telling the French that other countries would reject the idea. "And that is what happened," he said.

Serbian Troops Withdraw From a Key Mountain Top

Compiled by Our Staff From Dispatches
SARAJEVO, Bosnia-Herzegovina—Serbian troops lowered their flag and withdrew Monday from a strategic mountain top near Sarajevo, bolstering prospects for peace talks in Geneva.

A United Nations spokesman, Lieutenant Commander Barry Frewer, confirmed the withdrawal from Mount Bjelasnica, but he said tanks and artillery were still in place on nearby Mount Igman.

The Bosnian Serbs agreed Sunday to begin withdrawing from both Mount Bjelasnica and Mount Igman—captured last week from Muslim forces—if UN peacekeepers could ensure that the strategic positions would be kept neutral territory.

The political leader of the Bosnian Serbs, Radovan Karadzic, said earlier Monday that Serbian troops were already making a phased withdrawal from the two heights, whose fate, he said, depended on whether the United Nations "is capable to take the mountain under control."

"We will withdraw completely," Mr. Karadzic affirmed, adding that the Serbs would also stop shelling Sarajevo.

Linked to a pullout is a resumption of the Geneva talks, interrupted last week when the president of Bosnia-Herzegovina, Alija Izetbegovic, walked out of the negotiations, complaining about the Serbs' seizure of the mountain tops.

The leaders of Bosnia's warring factions returned Monday to the Geneva venue of talks on an ethnic partition of their country.

But Mr. Izetbegovic said he would sit down face-to-face with the Serbian and Croatian leaders only if international mediators first assured him that the Serbs were withdrawing from the key heights over Sarajevo.

"There were no negotiations today because we established that Serbs did not withdraw from the Mountains Igman and Bjelasnica," the Muslim leader said late Monday. "We will come again tomorrow at 10 o'clock and we will start negotiations if Serbs have withdrawn."

Commander Frewer, the UN spokesman, said in Sarajevo: "The Serb flag is down from Bjelasnica, and there is no sign of Serb troops in the immediate vicinity."

Asked to confirm that Serbian tanks and

See BOSNIA, Page 2

Kiosk

UN Chief Assails Somalia Killings

UNITED NATIONS, New York (Reuters)—Secretary-General Boutros Boutros Ghali deplored on Monday the killing of four American soldiers serving with a UN-led mission in Somalia when their vehicle was blown up by a mine that he said was probably detonated by remote control.

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Business/Finance

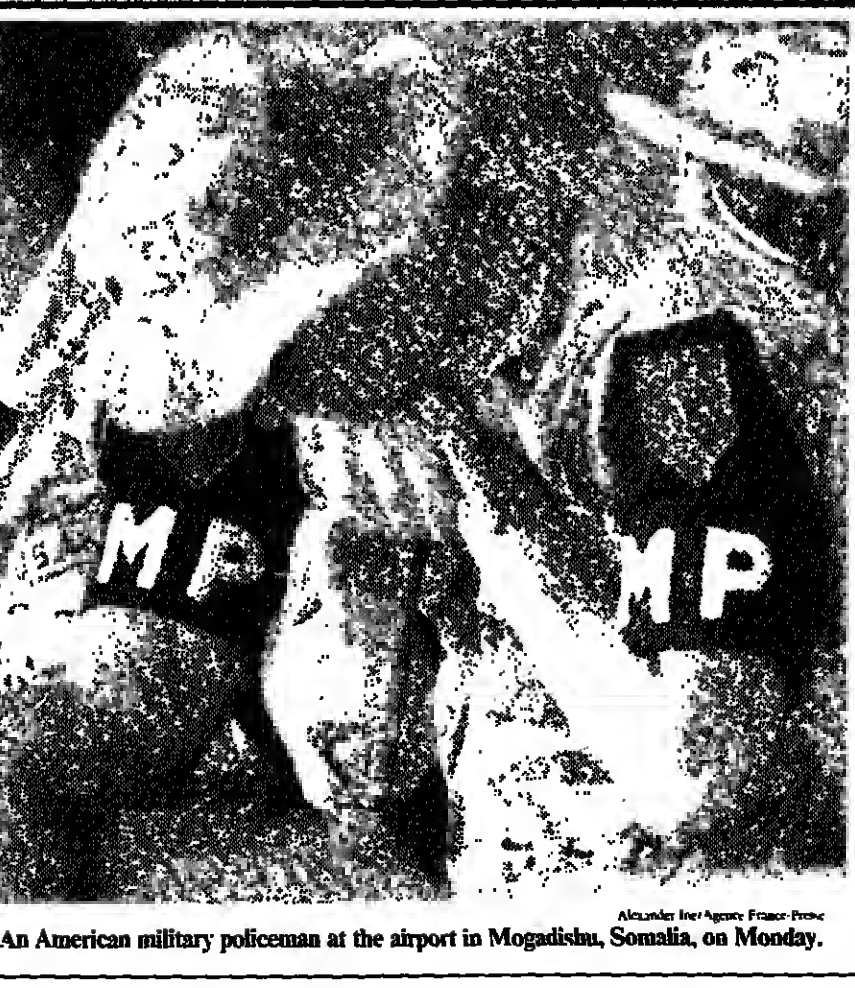
Can British Airways make a success of its far-flung minority stakes? Page 9.
A cleaned-up Thai stock market looks ready to rebound. Page 13.

Book Review

Chess Page 6.

Dow Jones	Trib Index
Up 15.55 3,576.08	Down 0.08% 105.83

The Dollar	Mon. close	previous close
DM	1.698	1.597
Pound	1.4908	1.4976
Yen	104.86	104.422
FF	5.957	5.9268



An American military policeman at the airport in Mogadishu, Somalia, on Monday.

Innovative Europe Finds It Can Compete With Asia

By Tom Redburn
International Herald Tribune
GENEVA—When Hewlett-Packard, the California-based computer industry giant, was studying locations for its new ink-jet printer factory, it had plenty of possibilities.

"H-P has substantial operations in the United States, Mexico, Brazil, five European countries, Singapore, Malaysia, and more," said Franco Mariotti, a senior vice president at Hewlett-Packard and chairman at its Europe, Middle East and Africa headquarters here. "We're looking at China."

"We're going up against guys who can make their products in Taiwan or anywhere else," he said.

Starting Over
 Restructuring businesses and economies.
 A continuing series of articles

The company, in a decision announced just this March, selected Barcelona.

At a time when many Europeans are despairing over what they see as an all-but-impossible task of maintaining their high standard of living against a flood of cheap-labor imports from Asia and elsewhere, the example of Hewlett-Packard shows that there is another side to the story.

In a wide variety of important manufacturing industries, a number of business executives and analysts argue that Europeans can compete with the rest of the world. But to make it in the future, they say, Europe will have to make it differently.

"It's a myth that cheap labor costs are the key rising costs of welfare aggravate Europe's growing economic malaise. Page 2

to industrial success," said Thomas E. Vollmann, a professor of manufacturing at the

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In a Caucasian Region Torn by War and Anarchy, U.S. Diplomat Is Latest Victim

By Margaret Shapiro
Washington Post Service
MOSCOW—A shooting in the Caucasian nation of Georgia was unsure Monday whether the slaying of an American diplomat who was on temporary duty there was a random act or reflected some political motivation.

The diplomat, Fred Woodruff, was killed by unidentified gunmen who fired Sunday night at a car in which he was riding near Tbilisi, the Georgian capital.

Georgia is battling separatist rebellions that have turned much of the mountainous republic into an armed camp.

Mr. Woodruff, 45, was returning from what authorities in Tbilisi said was a sightseeing trip with the security chief for the Georgian leader, Eduard A. Shevardnadze, when armed men attempted to halt the car.

The driver sped on without stopping and the gunman fired, hitting Mr. Woodruff in the head.

Mr. Shevardnadze's security chief, Eldar Guguladze, escaped unhurt, according to officials of the Georgian Interior Ministry.

The U.S. Embassy in Tbilisi issued a statement condemning the shooting of Mr. Woodruff, who arrived in June for summer duty in the embassy's Political Affairs Section.

Mr. Woodruff, who was married and had children, was scheduled to return to the United States on Aug. 23, according to a report from Tbilisi by The Associated Press.

Since the collapse of the Soviet Union in December 1991, violence has spiraled out of control in most of the former republics. Well-armed gangs operate with impunity, warfare has devastated towns from the Black Sea to Tajikistan, and general lawlessness prevails.

Moscow has been the scene of dozens of contract murders, including several involving foreigners and foreign business.

But no place seems so out of control as the historically violent and feuding Caucasus area, comprising Armenian, Azerbaijan and Georgia as well as smaller ethnic groups.

Well-armed men, often in battle fatigues, wander the streets of the largest cities and stop journalists and others to demand cameras, tape recorders and valuables.

Train bandits regularly hold up passengers. Highway robbery by armed groups has become a fact of life and vehicles are often stolen at "checkpoints."

Politically motivated murders also have become commonplace. In one section of the Caucasus under Russian rule, gunmen on horseback recently murdered a military governor sent by President Boris N. Yeltsin specifically to quell violence in the region.

On Sunday, the autocratic leader of Russia's breakaway Chechnya republic, Dzhokhar Dudayev, narrowly escaped being killed by grenades in his office.

In Tbilisi, lawlessness is so out of hand that residents no longer rely on the police and have begun to resort to mob justice. Last week, several hundred people grabbed three shooting suspects from police custody and tore one apart and injured another so severely that he died in a hospital.

"There are huge amounts of weapons on the street now," said a Georgian movie maker, Eldar Shengelaya. "When the dark closes in, people just stay indoors and you can hear shooting around the city."

Mr. Shevardnadze said that the death of Mr. Woodruff showed that "there are mafioso structures and criminal elements that are very active." He repeated his previous call for "extraordinary measures" to bring the once relatively prosperous country under control.

Mr. Shevardnadze, elected in 1992, has had to contend with a bloody separatist uprising in the Abkhazian region on the Black Sea as well as insurrection against him.

Secretary-General Boutros Boutros Ghali recommended Monday the immediate deployment of a United Nations military observer mission to Georgia to help monitor a July 27 cease-fire agreement between the Georgians and the Abkhazian separatists, Reuters reported.

If approved by the Security Council, it will be the first UN military observer team sent to any of the former Soviet republics.

In a written report to the Council, Mr. Boutros Ghali proposed that the observer mission be commanded by a Danish brigadier general, John Hvidegaard.

Costs of Welfare Add to Europe's Economic Malaise

By Roger Cohen
New York Times Service

THE HAGUE — Hans van der Valk, a former assistant professor at Delft University, is suffering from an ailment that has attained epidemic proportions in the Netherlands: stress. So he has stopped working and for the last three years has been collecting \$1,630 a month in disability benefits.

A Continent Adrift

burghers, nearly a third of those recipients suffer from stress.

What is starkly clear is that the ballooning costs of social welfare programs for the disabled, the infirm, the elderly and the unemployed in Europe are threatening the Continent's economic future. In Spain, there is now one person receiving a social security benefit for every one working.

As a result of the welfare state, the crowning achievement of Social Democratic and Christian Democratic governments in postwar Europe and a model from which the Clinton administration wants to borrow, is so costly — often adding as much as 40 percent to labor costs through payroll taxes — that it may be shutting Europe out of an increasingly competitive global economy.

Swissair proved the point with one of its units. As of July 1, the company moved part of its accounting department to Bombay from Zurich. About 50 jobs were lost in Switzerland; the same number were created in India.

There are highly trained people in Bombay, we're connected directly to them through our data network, and they work for a fraction of the cost of the Swiss," said Herbert Schmelz, a Swissair spokesman. "We expect a saving of about \$5 million."

Such business decisions underscore a fundamental question: Have the rapid changes in the world economy rendered Europe's system unsustainable? Or is a European recession simply causing serious financial problems that will pass when recovery comes?

"Either, as I believe, Europe's comprehensive social security coverage will emerge intact from Europe's recession, or we are at the beginning of an economic and cultural revolution that will throw the whole system into doubt," said Frédéric Oudiz, who oversees government benefits at France's Budget Ministry.

"If it is the latter, if Swissair is pointing the way, then the social consequences will be dire."

Europe's recession and soaring unemployment have certainly placed new strains on benefits. Most European social insurance programs are financed through payroll taxes on workers and employers, so the fewer salaried workers there are, the less money flows into social security budgets. But the more people out of a

job, the more unemployment benefits there are to pay, so resources are dwindling as demand soars.

The number of unemployed in the European Community, whose economies as a whole are expected to shrink five-tenths of 1 percent this year, has already risen to 18.1 million from 14.3 million in 1991 and is expected to reach at least 19 million next year.

But other forces are also prompting questioning of the structure of Europe's welfare states.

The rapid aging of the population — Western Europeans, like Americans, are living longer — is squeezing pension plans. Because older people spend more on health, the aging is also contributing to sharply rising medical costs in many European countries.

In France, a recent study projected that the deficit in the government pension budget would soar from about \$3.5 billion today to about \$35 billion by 2010 if radical reforms are not enacted, because the ratio of active to retired people is shrinking fast. Overall, France's deficit on its annual \$280 billion comprehensive social security budget is likely to grow from \$7 billion today to \$17.5 billion by the end of next year unless new revenue is found.

"The tendencies are catastrophic," Mr. Oudiz said. Similar shortfalls are reported throughout Western Europe.

From Sweden, until recently the paradigm of the welfare state, to Italy, with its swelling budget deficit, laws are being passed to cut the range and cost of welfare programs.

The German government, which has had to cope with the exceptional costs of unifying East and West, recently proposed cutting benefits for the unemployed. While people of the former East Germany have had to forsake the east-iron cradle-to-grave social safety net of the Communist system, they have been largely integrated into the social security systems of the West, at great cost to the Bonn government.

In France, the government has pushed through a range of measures to control costs, like lowering retirement payments, reducing reimbursement for medical expenses and shortening the period during which the unemployed can receive jobless benefits.

In the Netherlands, the rules governing disability benefits have been tightened as of Aug. 1, with the aim of saving more than \$2 billion.

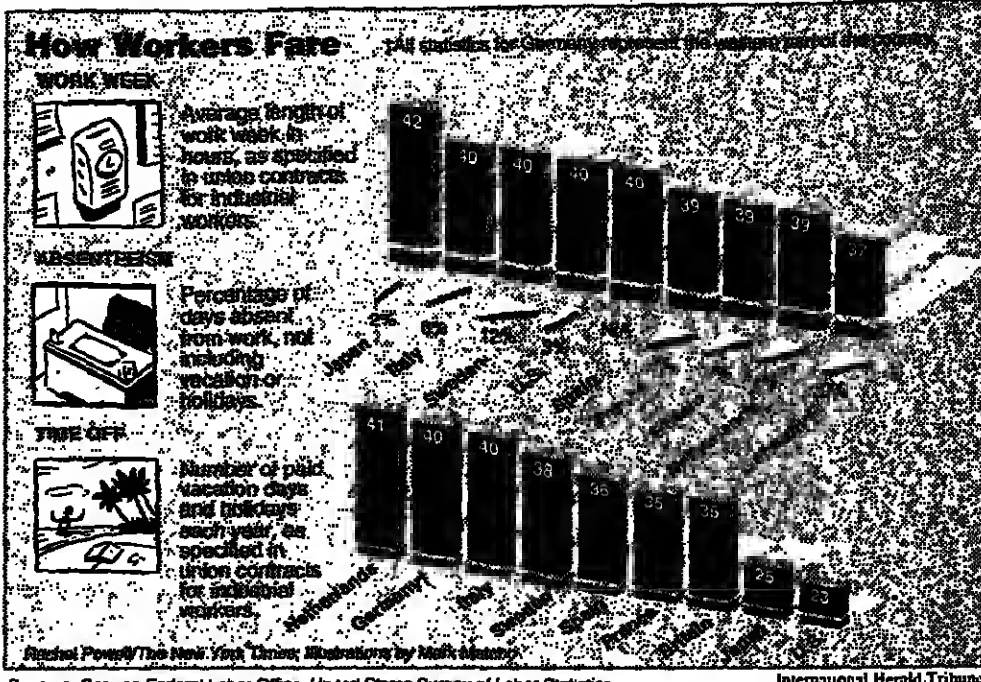
"Before, the top priority was protection for people," said Mr. Jansen, the Social Affairs Ministry official. "Now the priority is avoiding fraud, getting people back to work as fast as possible, and encouraging citizens to supplement national insurance with private insurance policies."

Of course, such measures set off fierce opposition. Not even when the public approves of cuts in benefit programs, experts are questioning whether the basic concept of comprehensive, or at least far-reaching, social protection is still tenable.

A German manufacturing worker costs employers about \$26.89 an hour, of which benefits account for 46 percent. In contrast, the average hourly pay of an American worker, \$15.89, and benefits, about 28 percent of the wage, are much lower.

In 1992 alone, unit labor costs in the European Community grew 4.1 percent, compared with 2.4 percent in Japan and 1.4 percent in the United States, according to the Organization for Economic Cooperation and Development.

In some cases, benefits designed to cushion society from social problems seem to be worsening those ills. In effect, social security systems are deterring corpora-



Sources: German Federal Labor Office, United States Bureau of Labor Statistics, International Herald Tribune

WORLD BRIEFS

German Hostel Fire Kills 2-Year-Old

CLOPPENBURG, Germany (Reuters) — A two-year-old Lebanese child was killed on Monday when fire swept through a hostel for asylum-seekers in the northern German town of Emsbek, the police said.

Four other Lebanese children, aged 11 months to eight years, managed to flee the blaze, which broke out while their parents were at a nearby hospital where the mother was undergoing surgery.

The police said they had not yet determined whether the fire was accidental or the latest attack by neo-Nazi gangs that have been targeting foreigners, the homeless and disabled in a wave of beatings and firebombings. Rightist extremists have killed at least 25 people since Germany was reunified in 1990.

Chad Bans Protests After Killings

NDJAMENA, Chad (Reuters) — Chad's military-led government banned tribal and religious demonstrations on Monday, a day after President Idriss Deby's palace guard mowed down armed protesters in the capital.

France, the former colonial power, which has strongly backed General Deby, expressed its concern over Sunday's carnage in Ndjamena. At least 41 people, including seven policemen, were killed, according to the official toll. An nationwide nighttime curfew was imposed Sunday.

The government has sent troops to Abéché, the capital of the eastern Ouaddai region. Sunday's street protest in a Ndjamena suburb began after settlers from Ouaddai said prayers for at least 82 tribesmen, all civilians, killed near Abéché on Wednesday. The protest turned violent and witnesses said it was ruthlessly put down by members of the palace guard, who are mainly from the president's Zaghawa tribe.

Ramos Cites Beijing Vow on Spratlys

MANILA (AP) — Qiao Shi, the top official in China's parliament, assured President Fidel V. Ramos on Monday that Beijing wants a peaceful settlement of conflicting claims over the Spratly Islands.

Mr. Qiao was visiting the Philippines on the final stop of a tour of countries belonging to the Association of South East Asian Nations. After talks between the two men that included the issue of sovereignty over the islands, Mr. Ramos said that the Chinese official had reaffirmed Beijing's policy of "peaceful resolution of the conflict."

The Philippines, China, Vietnam, Malaysia, Taiwan and Brunei claim all or some of the islands, which are believed to be rich in mineral resources.

10 in Nigerian Opposition Arrested

LAGOS (Reuters) — Security agents raided a democracy-campaign headquarters and arrested 10 people on Monday, apparently hoping to head off protests from Nigerians expecting a thinly veiled extension of military rule.

The sweep looked like the start of a crackdown on activists before President Ibrahim Babangida announces his next move in a crisis that has gripped Nigeria's most populous nation since he annulled the election of a successor in June. The target of the raid was the home of the opposition leader, Beko Ransome-Kuti, which serves as the office of Campaign for Democracy.

Analysts believe General Babangida is considering meeting his Aug. 27 deadline to end 10 years of military rule by trading his uniform for a suit and putting himself at the head of a nominally civilian government. Thousands of people have left Lagos and other cities, fearing the crisis may lead to riots or war.

Japanese Life Expectancy Still Highest

TOKYO (AP) — Life expectancy in Japan remains the highest in the world despite a recent slight decline for men, according to a study made public Monday by the Ministry of Health.

Japanese men can expect to live 76.09 years, down from 76.11 years in 1991, while women in Japan are likely to have a life span of 82.22, against 82.11 two years ago.

Life expectancy for Japanese men has been the highest in the world for seven years while women have topped the list for eight years. Icelandic men came in second place for longevity at an average 75.71 years, while French women have the second longest life expectancy, 80.94 years.

Sinn Fein Seeks Arms For Politicians

BELFAST (Reuters) — The Irish Republican Army's revolutionary wing on Monday demanded police permission for its politicians to carry weapons after the son of a Sinn Fein councillor was shot and killed by Protestant extremists. Such demands have been rejected in the past because of Sinn Fein's links with the IRA.

The Ulster Freedom Fighters, an outlawed group fighting to keep Northern Ireland British, admitted responsibility for killing Sean Lavery, 21, on Sunday. Gunmen raked his home with 30 shots.

His father, Bobby Lavery, a Sinn Fein councillor, was warned by police 10 days ago he could be a target but they rejected his plea to be allowed to carry a weapon, Republican sources said. It was the 10th attack this year by Protestant extremists on members of Sinn Fein, the political wing of the Irish Republican Army, which is battling to oust Britain from Northern Ireland.

Correction

An article in Saturday's editions about Hong Kong property prices failed to point out that the costs cited in one example — \$5,000 to \$8,000 a month for one room in a small shared apartment — were actually in Hong Kong dollars. The U.S. dollar is worth 7.75 Hong Kong dollars.

TRAVEL UPDATE

No 'Disaster,' London Palace Insists

LONDON (Reuters) — Buckingham Palace denied Monday that its opening to visitors had flopped, but tabloid spoke of a snub to Queen Elizabeth II and accused courtiers of getting their figures wrong about the expected turnout.

A spokeswoman said there was no sense of disappointment among organizers that only 9,500 visitors had toured the building over the weekend after it was opened to the public Saturday. "No one ever really knew how many people would turn up," she said, adding that the daily allocation of 7,000 tickets had been only a maximum capacity figure, not a fixed target.

"Queen snubbed; Palace grand tour ends up as a disaster." Today said in a front-page story on what it called a "monster flop" for the monarchy. "Now that the palace is playing to half-empty houses will arch-monetarists continue to insist that the royal family will attract millions of tourists? It seems that they can't even attract thousands." Today said.

Britons driving in France have been urged by their automobile association not to resist highway robbers, to carry a minimum of cash and valuables and to give it up without argument at the sight of a weapon. A recent innovation of highway pirates is to ram a tourist's car from the rear and rob the occupants at gunpoint when they pull over.

Fires in Spain swept uncontrollably through the Huerto-Santillan Natural Park in the south on Monday while fire fighters managed to put out several blazes along the Mediterranean coast. About 1,300 hectares (3,200 acres) of pine and oak forests in the park, and surrounding areas — 20 kilometers (12 miles) east of Granada — had burned by early Monday, according to the regional fire-control office.

Trucks and Turkish vacationers heading west have caused a 20 kilometer (12.5 mile) traffic jam on the Bulgarian-Romanian border, already overloaded due to an embargo on the former Yugoslav federation, the police said Monday.

Vietnam has doubled the size of the airport terminal in Danang, the Vietnam News Agency said. The renovation follows similar upgrades in Saigon and Hanoi.

Another U.S. Issue: Deadlock in Angola

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Far from the spotlight of Bosnia-Herzegovina, the Clinton administration is groping for ways to end another intractable conflict in which U.S. interests are not readily apparent: the civil war in Angola.

Hundreds of Angolans are being killed each day and the war has fallen into a military and diplomatic stalemate.

Neither the Luanda government nor the rebel forces of Jonas Savimbi's National Union for the Total Independence of Angola, known by its Portuguese acronym UNITA, is capable of outright military victory, according to analysts. But neither is sufficiently desperate to stop the conflict.

Mr. Savimbi's forces are said to control about 80 percent of the country, leaving the government with an L-shaped swath along the

Atlantic and the border of Namibia plus the oil-producing enclave of Cabinda in the northwest corner.

Clinton administration officials have decided that the United States has some responsibility for the conflict in Angola, a senior official said. Throughout the Cold War in the 1980s, Washington backed Mr. Savimbi against the pro-Moscow government of José Eduardo dos Santos. But now it has recognized the dos Santos government.

"We are not willing to just take a walk," the official said, partly because of the U.S. role in the conflict and partly because of fears that the Angola crisis could engulf neighboring Zaire and create more turmoil throughout central Africa.

"If we can find a useful way to get people to stop the killing, that would be the least we can do — and maybe also the most we can do," the official said.

The immediate objective is to "nudge Savimbi back to the negotiating table, but that is not an easy task," the official said, especially because UNITA is winning most of the battles.

But no specific U.S. proposals have been offered, a fact that seems to have caused some friction between the State Department, which is committed to caution, and the Defense Department, where some officials seek a more aggressive approach.

Washington has rebuffed feelers from the beleaguered dos Santos government for limited military aid, senior officials said.



ROYAL PROCESSION — King Albert II and Queen Paola walking to a reviewing stand in Brussels on Monday after he was sworn in to succeed his brother, King Baudouin, who died July 31 of heart failure. Albert, 59, called for unity to make Belgium "a model of justice and peace."

BOSNIA: Serbs Begin Pullout From Sarajevo Peak

Continued from Page 1

artillery remained on Mount Igman, he said. "They have not moved from Igman."

John Mills, another UN spokesman, said, "If there are Serb troops on Mount Igman, it's clearly in contravention of assurances the UN has given, and they should withdraw."

Leaders of the warring factions had to enter the UN's headquarters in Geneva by a side entrance because riot policemen had sealed off the main gates with barbed wire to bar hundreds of Bosnian Muslims staging a loud protest against what they feared was a carve-up of their country.

Several dozen of them have begun a hunger strike which they say to continue until the ethnic division plan is dropped and the European Community envoy, Lord Owen, who they say backs the Serbs, has been dismissed.

The Geneva peace talks are to focus on maps for Muslim, Serbian and Croatian republics that are to form a new Bosnian "union," which the three leaders agreed on 10 days ago.

Although Sarajevo remained relatively quiet Mon-

day, there was no significant reduction in fighting on other war fronts.

The Croatian radio reported a new Serbian artillery attack on the Maslenica pontoon bridge near the Adriatic on the only highway link between northern and southern Croatia.

The bridge is a flashpoint that could provoke renewed warfare between Serbs in the Krajina enclave in Croatia and Croatian troops.

The Croatian command said at least 23 shells were fired at the Maslenica bridge as workers started to repair earlier shellfire damage.

Meanwhile, a top World Health Organization official warned Monday that scores of mental patients might soon be turned loose in the streets of Sarajevo because the psychiatric hospital there has no electricity.

A special representative of WHO, Sir Donald Acheson, citing the medical oath to treat the ill, urged authorities to find some way to avoid shutting the Kosevo Hospital psychiatric wing.

NATO: Targets Approved

Continued from Page 1

about the possibility that Serbs could retaliate against them for any air strikes.

The statement issued Monday stressed that NATO's threat was meant to be "limited to the support of humanitarian relief."

The alliance also agrees with the UN secretary-general, Boutros Boutros Ghali, "that the first use of air power in the theater shall be authorized by him," the statement says.

According to diplomats in Brussels, the military options discussed Monday were limited in scope, and all were aimed at ensuring a continued flow of humanitarian supplies to Muslim and other refugees. They are also aimed at encouraging a settlement at the Geneva peace talks, where a possible partitioning of the country is being discussed.

Any air strikes, diplomats said, will be triggered only after close coordination with the UN commander in Bosnia, Lieutenant General Francis Briquemont, and the overall commander of UN forces in the former Yugoslavia, General Jean Cot.

More than 50 U.S., British, Dutch and French planes have been positioned in Italy and in the Adriatic, ready to provide air support to UN commanders ever since July 22, but they have not yet been asked to do so.

"What we are trying to do is stop the fighting," one official said. "On Nov. 1 the temperature in Sarajevo will be below freezing, and a catastrophe will ensue for the people living there if the siege continues."

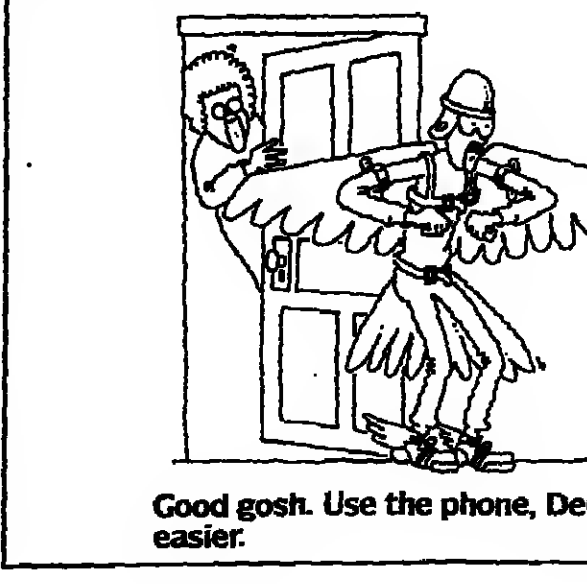
Officials did not disclose the targets they were prepared to strike, but they said none of them was in Belgrade or Serbia proper.

The plan sent to the UN calls for graduated air strikes of varying degrees of intensity that could be triggered by Serbian actions on the ground in Bosnia. Bombing attacks could be limited to individual targets like artillery pieces or mortars or could be carried out against a large number of targets over a wide area simultaneously.

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150 Said to Die in Battle. Fighting raged Monday in the besieged Angolan government stronghold of Cuio and the state radio said 150 people died during the day, Reuters reported from São Tomé. "The city is under intense fire," the broadcast said. "There are many corpses in the streets." It said residents were trapped in homes without food and that many dead probably remained uncounted.

OVERHEARD



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STATESIDE / LESSONS LEARNED

★ POLITICAL VOICES ★

The Quiet Man Who Got the Budget Through

WASHINGTON — Senator Bob Kerrey of Nebraska cast the vote that tipped the balance for President Bill Clinton's budget bill, but Senator George J. Mitchell of Maine worked for weeks so there would be a balance to be tipped.

Mr. Mitchell, the majority leader, irritated other Democrats in Congress, especially Representative Dan Rostenkowski of Illinois, as he kept pushing for ways to tinker with the bill. He would bring along one senator by proposing an increase in something, while keeping another in the fold by urging that a cut be made.

It was exhausting. It got none of the attention received by Mr. Kerrey or by other lawmakers whose votes made news. Mr. Mitchell was not even much noticed when he closed the final debate, alternately attacking Republican arguments as "false" and patriotically defending the bill as essential to Mr. Clinton and the nation.

The very characteristics that drew Senator Mitchell attention — the control of the message, the willingness to yield center stage and the sometimes tedious command and explication of detail — were essential to success.

He insisted that he had applied just two standards in his maneuvering: whether a change would "help us pass the bill" and whether it was "good public policy." But in the process he had to cajole and plead and, above all, exercise what he told the House speaker, Thomas S. Foley of Washington, was "the best developed patience muscle in Washington." (NYT)

Reno and Bar Group Trade Encomiums

NEW YORK — Bathed continually in television lights, praised from every podium by lawyer after lawyer, Attorney General Janet Reno spent the week-end championing the American Bar Association. With a triumphant appearance by Justice-to-be Ruth Bader Ginsburg and quite possibly the bar group's first woman president on the horizon, the association's convention has been an affair to remember for women.

But it was Ms. Reno, the first woman to head the Justice Department, who was the undeniable star of the proceedings. Over two days of receptions, speeches, and encounters in the corridors, she wielded the same combination of bluntness and folksiness, openness and humility that has charmed the nation. But before her fellow lawyers, she added some new and intriguing ingredients.

She thanked them for teaching her, invited them to stop by the Justice Department and praised them repeatedly for doing what she called "wonderful things for their nation, their state, their communities." Never, she said, had she been so proud to be a member of the association.

Whatever criticism she sent their way was gentle — less faulting them for what they had failed to do than urging them to aim even higher and do even better, particularly on behalf of the nation's children.

"I love lawyers," she declared with gusto. Once the applause had subsided, she added, "And nothing can make me madder than lawyers: lawyers who are indifferent, lawyers who don't care about others, lawyers who are too preoccupied with themselves."

The lawyers' responses to Ms. Reno contained no such caveats. They gave her still more of what she called "the approval and gushiness" that had been lavished on her in the last four months.

Perhaps for the first time since the days of Robert F. Kennedy, children asked an attorney general for an autograph. Admiring lunchtime listeners fought with waitresses for scarce floor space to give her standing ovations. From lectern after lectern, people said Ms. Reno needed no introduction, then introduced her effusively.

One speaker, Cory Annron of the association's commission on women in the profession, called the attorney general "unparalleled in situations where others would be shaken, accountable where others pass the buck, visible and accessible where her predecessors were not."

Already, Ms. Annron said, Ms. Reno had kept her pledge to make the nation's women proud. (NYT)

Congressional Freebies May Be Short-Lived

WASHINGTON — Representative Jill L. Long, Democrat of Indiana, wants to do away with free lessons in the martial arts — not to mention numerous other gifts received by members of Congress. Some form of gift ban — whether her total ban or a partial one sought by others — is expected to pass Congress in the coming months.

Among other things, it would affect lessons worth \$75 a month that are given free to senators and House members by Jhoon Rhee, a taekwon-do master who moved to the United States from Korea. In a recent performance, Thomas S. Foley, the Democratic speaker of the House, and Representative Robert A. Borski, Democrat of Pennsylvania, demonstrated their new skills by breaking boards in half with their bare hands.

Currently, lawmakers can accept gifts valued up to \$250 from any one person in a year, but gifts of less than \$100 are not counted against that limit and do not have to be disclosed. Representative Long says she wants to remove the public perception that legislative favors are being exchanged for gifts — though she believes that they are not. (LAT)

Quote / Unquote

Representative Vic Fazio of California, who heads the Democratic Congressional Campaign Committee, speaking about the president's plan for national health care reform: "For the Democratic Party, it's an opportunity to define ourselves positively, to show why we came here — not just to clean up after the last decade, but to provide something positive." (NYT)

Away From Politics

- Ruth Bader Ginsburg, to be sworn in Tuesday as the second woman on the Supreme Court, says the presence of two women on the nine-member court will make the male justices see life differently. Judge Ginsburg, 60, who joins Justice Sandra Day O'Connor, told reporters: "I do think being the second woman on the Supreme Court is wonderful. It's a sign that being a woman in a place of importance is no longer extraordinary and it will become more and more natural."
- For the first time in its 150-year history, The Citadel, the military school in Charleston, South Carolina, has chosen a black student as its highest ranking cadet.
- A man who New York police say fumbled a fire engine in Washington Heights, injuring three fire fighters during a night of unrest in the Manhattan neighborhood, has been arrested in the Dominican Republic and returned to the city. The police said Jesus Corporan, 26, was identified by witnesses.
- A former air force sergeant who was discharged after announcing his homosexuality has been accused of molesting a college student. Anirban Bhattacharya, 23, a student at Arizona State University at Tempe, filed a complaint accusing Thomas Panocia of molesting him in a restroom. Mr. Panocia, 23, called the charge "incredible."
- An Atlas-E rocket carried a new weather satellite into orbit from Vandenberg Air Force Base in California. The spacecraft, which replaces a deteriorating National Oceanic and Atmospheric Administration satellite, reached a 540-mile-high polar orbit.
- The historic, Civil War-era buildings battered by the tornado that struck Petersburg, Virginia, remain structurally sound and can be renovated, city officials said.

After Budget War, a Conciliatory Push for Health Plan

By Robin Toner

WASHINGTON — The battle of the budget now behind them, President Bill Clinton and his advisers are turning to overhauling the health care system, hoping to complete their plan within six weeks and begin an intensive public campaign for secure and universal health insurance.

White House aides and Democratic strategists in Congress say they have learned valuable lessons from the exhausting struggle over the president's economic plan. Still winning from the Republicans' success at casting the plan as just more taxing and spending, these Democrats say the drive for health care legislation must be more bipartisan. And from the start, they argue, it must be sold to the public far more aggressively.

The sales campaign is already under way. In the next few days, lawmakers will be presented with a briefing book that, according to a draft copy, begins to make the case for "The Clinton Health Security Plan: Health Care That's Always There."

The draft, which describes the Clinton effort in general terms, says its basic goal is "making sure that Americans will never again lose their health coverage."

The broad outlines of Mr. Clinton's plan have been widely discussed in recent months: It will center on community insurance-purchasing cooperatives, known as health alliances, that will pool the bargaining power of small businesses and individuals to, presumably, get the highest quality, lowest cost health plans.

It is expected to establish a package of guaranteed benefits for all Americans and to require employers to help pay for part of those benefits.

Still, Mr. Clinton has yet to approve the full plan, and some of the most politically sensitive decisions are yet to be made.

Senate Republicans, in the meantime, are trying to reach a consensus of their own on a health care overhaul, and they plan to produce their own legislation in the fall.

The public campaign will intensify in the coming

days. Hillary Rodham Clinton, who is heading the administration's task force on health care, wooed the American Hospital Association in Orlando, Florida, on Monday, and the president will deliver a major speech on health care to the National Governors' Association on Aug. 16.

Ira C. Magaziner, the White House domestic policy adviser, who has led the effort on health, argued in an interview over the weekend that the administration had taken pains to lay the congressional groundwork for the plan.

"I think we've had a couple of hundred meetings now up on the Hill, with both the House and the Senate, and on both sides of the aisle," he said. "It's been a consultative process. They didn't have that luxury with the economic plan."

Still, with the health package now scheduled for public presentation in mid-September, Mr. Magaziner's optimism is not universally shared.

Philosophical differences run deep on how to structure the health care system, both within the Democratic Party and between Democrats and Republicans.

Advocates of changes in health care also worry that the bitter, exceedingly close fight over the economic plan has made a hard job even harder. It heightened the aversion to new taxes, gave partisan divisions a razor edge and sent a message to interest groups about the willingness of this administration and this Congress to deal, some of the advocates say.

"We can't afford to have health care reform be characterized as just another tax bill," said John Rother, legislative director for the American Association of Retired Persons, "and we certainly can't afford to have it mired in more partisan posturing."

Mr. Rother, who is also chairman of a coalition of groups seeking an overhaul of the health care system, added:

"What started out, really, in the State of the Union speech as a high moral call for shared sacrifice in the end degenerated into horse trading and typical special interest tactics. We can't do health reform that way. We have to see a greater leadership and a greater public will to stand against all the exceptions and loopholes that will inevitably threaten the comprehensiveness of the health reform effort."

A New Clinton Plea For Bipartisanship

By Paul F. Horvitz

WASHINGTON — President Bill Clinton issued a fresh plea for political cooperation on Monday, hoping to entice or shame Republicans into providing votes for his landmark program to reform the nation's health care system.

In a speech to cheering crowds gathered on the capitol steps in Charleston, West Virginia, Mr. Clinton declared that the nation's problems cannot be solved unless base partisanship ends.

"We need to put an end to the partisan rancor and put the American people first again," the president said.

"We cannot have every great issue of the day decided on the basis of partisanship, scheduled around the next trip to New Hampshire for a primary still four years away," he added. "We have got to do some of these things together."

The message was aimed squarely at Republicans, whose strict party discipline yielded no votes in the House or Senate last week as Mr. Clinton's five-year budget package won passage by the narrowest possible margins.

It was not an appeal to virtue for its own sake but a political necessity. Senate rules on ending debate did not permit a filibuster on the budget bill, but the rules will allow endless debate on health care unless a handful of Republicans join the Senate's majority Democrats.

Although opinion polls have been unkind to Mr. Clinton, the Republican Party has its problems as well. It is viewed by a majority of Americans as too obstructionist, and its Senate leader, Bob Dole of Kansas, is widely seen as a stern practitioner of political infighting.

The Charleston speech was the first in a series of appearances Mr. Clinton plans this month intended to dispel what he called the "withering fog of misinformation" surrounding his budget plan.

Most Americans think it taxes the middle class far more than its provisions would suggest.

With the budget victory last week, he said, change has truly arrived because "we began to put our economic house in order."

The package of spending cuts and tax increases would save \$496 billion over five years, according to calculations by the administration.

"After 12 years of partisan gridlock, of talking tough and acting soft, we reversed the direction," Mr. Clinton said.

The president made a strong pitch for his health care plan, which will be released in mid-September. As he has in the past, Mr. Clinton said its passage is the key to further deficit reduction, because health care costs are a major factor in the growth of mandated federal spending.

"Unless we reform the health care system of this country," he said, "we can never take the deficit down to zero. We have got to do something to provide health security to all Americans in a way that is good for the private sector, good for employers and controls costs without sacrificing quality."

Mr. Clinton's speech contained numerous similar calls for national unity and seemed designed to put his image of weakness and indecisiveness behind him.

"The biggest problems we have are those that are inside our minds," he said. "The limitation on our vision, our will, and our heart and our willingness to put aside the old divisions and to work to build a better America."

He added: "There is nothing before us that cannot be cured if we have the willingness to open our ears, lower our voices, roll up our sleeves and make our words speak through our deeds."

Mr. Clinton chose to go to West Virginia in part because one of its senators, Jay Rockefeller, has been the leading voice for health care reform in the Democratic Party.

Meantime, George Mitchell of Maine, the Senate Democratic leader, said Monday that the ultimate answer to the deficit is controlling rising health care costs.

"We can't control the deficit over time, and therefore we can't have sustained long-term economic growth and job creation, unless we reform health care and control costs there," he said. "That's the biggest step that remains to be taken."



Hillary Rodham Clinton and her daughter, Chelsea, greeting well-wishers after a luncheon in the Georgetown section of Washington.

What Was All the Deficit-Reduction Fuss About?

By Paul Farhi

WASHINGTON — The numbers sound impressive: After six months of furious effort, Congress and President Bill Clinton have agreed to attack the government's chronic debt with a plan that envisions \$255 billion in spending cuts and \$241 billion in tax increases over the next five years.

And yet, the "deficit reduction" package passed by Congress:

- Does not knock a dollar off the nation's indebtedness because its spending "cuts" affect only the future growth of programs.
- Projects annual deficits through 1998 of more than \$200 billion, a level considered unthinkable only a dozen years ago.
- Will increase the accumulated national debt from an unimaginable \$3.2 trillion now to a surreal \$4.7 trillion by 1998, according to projections by the nonpartisan Congressional Budget Office.
- Keeps the government indefinitely addicted to spending more than it takes in, pushing the bill onto future generations like an unwanted gift.

For perspective, consider that in 1980, President Jimmy Carter was pilloried by the Republican nominee, Ronald Reagan, for a record-setting deficit — of \$73.3 billion.

"The deficit may never come to a crisis," said Herbert Stein, chairman of President Richard Nixon's Council of Economic Advisers.

"All it may do is fritter away our growth into the future. Ours could be a general long-term debility."

"The damage done is very difficult," said Robert D. Reischauer, director of the Congressional Budget Office. "It's hard to convince the American people of the cumulative damage done by a tenth of a percentage point in lost growth."

they wanted the candidates to talk more about.

This means that few elected officials endeavor to make deficit reduction their top priority, in part because the benefits of reducing the deficit take years to become tangible, and because cutting popular programs now causes pain.

In the end, Mr. Stein said, "this is not a crisis about the deficit — this is a crisis about the American inability to solve any major problem that involves any pain."

Mr. Reischauer compares the lack of political will to the story of the farmer with the leaky barn. As long as the barn's roof doesn't collapse, and because cutting popular programs now causes pain, he feels it's unnecessary to do anything.

NEWS ANALYSIS

To economists, the prospect of this debt will weigh on the U.S. economy like stones added one after another to the back of a pack mule. The mule, in this case, is strong enough to carry the accumulating load without collapsing, but not without weakening. The additional burden has insidious, almost invisible effects that will become known little by little.

The accumulated deficits sap the government's energy by demanding more and more money in interest payments on the amount owed, taking money from other programs, such as education, worker training, road repair or health care.

In 1990, the government spent \$53 billion on interest payments on the federal debt, or 10 cents of every tax dollar it collected. In 1990, it spent \$184 billion — 18 cents.

The best that can be said of the budget package passed last week is that it anticipates making things no worse: By 1998, under current esti-

mates, the government will spend \$276 billion for interest on the debt, also 18 cents of every dollar that Washington expects to collect. An outlay of that size would equal this year's entire military budget.

The government's need to borrow \$200 billion or more each year affects everyone, sapping money from lenders that might otherwise be lent to businesses and people for new factories and equipment, home mortgages and car loans. The government's insatiable demand for funds drives up interest rates.

And society pays an incalculable price later on because the reduced ability to borrow and invest today leads to fewer factories, less equipment and less-educated workers in the future.



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Floodwaters Ease Along Mississippi

ST. LOUIS, Missouri — Water levels dropped dramatically in some areas along the Mississippi River but continued pressure on levees kept residents on edge.

"It's not over," said Jean Risover, a spokeswoman for volunteers in Sainte Genevieve, about 50 miles (80 kilometers) south of St. Louis. "We still have many days and perhaps weeks where we have to be concerned about the possibility of a levee break."

The town weathered a crest of 49.67 feet Friday — well over the 1973 record of 43.3 feet.

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OPINION

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

Up and Up Goes the Yen

Although the breakdown of Europe's currency system has set exchange rates swinging against each other, the impact on the United States is not likely to be great. For Americans the more significant development is the steady rise of the yen, now at a record high against the dollar.

U.S. Troops for a UN Army

Bill Clinton once urged creation of an American "rapid deployment force" of peacekeepers that would be on instant call to the United Nations. He has settled for something less. He will not commit U.S. contingents to a UN standing army or earmark units for UN duty in advance. Instead, some troops will train to be part-time peacekeepers and could serve under UN command on a case-by-case basis.

Now Inspire the Country

Bill Clinton has often told his aides that the battle for his deficit reduction package was "the bone in our throat." He meant that the budget fight was a distraction from the potentially popular measures he had hoped would mark his administration. Worse still for a man who campaigned as a champion of activist and innovative government, the battle just past seemed to be about the same old things: taxes, spending, deficits and partisanship.

Bosnia: The Answer Is to Give Bombing a Chance

By William Safire

WASHINGTON — For one glorious moment a week ago, it seemed that the NATO ministers in Brussels had finally agreed to get tough with Serbian leaders who had been jerking the world's diplomats around for the past two years, making a mockery of collective security.

Will the West Stop Playing Fool With Serbian Aggressors?

By Anthony Lewis

NEW YORK — There is a form of classic farce in which the fool places his trust again and again in a rogue who tricks him every time. He learns no more from experience than the animated cartoon creature who is repeatedly flattened.

Get Israelis, Palestinians and Jordanians Into a Joint Venture

By Leonard J. Hausman and Lester C. Throw

CAMBRIDGE, Massachusetts — Even the bravest of speculators might view an investment in the West Bank and Gaza as a risky venture. Still, in the midst of the region's ongoing, off-again hostilities, land prices have skyrocketed as prospectors swallow up real estate at an unprecedented pace.

Use the Wheat Weapon to Defend the Iraqi North

By John Waterbury

PRINCETON, New Jersey — For roughly what it cost to launch 23 Tomahawk missiles against Iraqi intelligence headquarters in Baghdad, the international community could buy most of the wheat now being harvested in the Kurdish areas of northern Iraq.

Good News From Europe and Japan

By C. Fred Bergsten

WASHINGTON — The American economy last week got more good news than just the budget deal. Europe abandoned its effort to maintain fixed exchange rates, Japan chose its first new government in 40 years.

food and bandages, and not in protecting Muslims from Serbian guns. The UN commanders are afraid that if NATO forcibly lifts the siege, resentful Serbian militia will attack the scattered 25,000 UN forces.

John Major of Britain have no stomach — no backbone might be a more accurate word — for resistance to the Serbian mass murderers.

cluding ourselves, would require: Reforming the existing civil administration in the West Bank and Gaza. This would mean replacing the top Israeli officials in the civil administration with Palestinians.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Rioting in Spain MADRID — An extraordinary state prevails at Victoria. The city was affected by a new scheme of military reorganization. The populace resented Victoria being deplored from its position as an important military center, and there was rioting on Aug. 8. Martial law has been proclaimed. The railway line was guarded, lest an attack be made upon the train in which the Minister of War traveled from Madrid to San Sebastian and, as the military prevented all approach to the station, when the train came the crowd hooped and whistled.

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Advertisement for the Center for International Studies at Princeton University, listing its focus on international relations and contact information.

OPINION

U.S. Policy Lags in East Asia

By Chalmers Johnson

SAN DIEGO — The aftershocks of the end of the Cold War roll relentlessly through Asia. In Japan, the Liberal Democratic Party, America's chosen instrument for keeping Japan in the Western camp, finally collapses under the weight of its corruption and irrelevance. In South Korea, a genuinely democratic regime comes to power and for the first time in 30 years gets the Korean Army, long allied with the United States, back into its barracks. In Singapore, the ASEAN foreign ministers set up an exclusively Asian caucus, which Japan supports even though the United States has been opposed.

Just as was the case in President Bush's disastrous visit to Japan last year, Mr. Clinton went to Japan in July without a single high official accompanying him who had substantial knowledge and experience of Japan and who could read the Japanese language. Does this lack of expertise make a difference? Yes. The Americans are now missing a big opportunity to take advantage of Japanese events.

Even though the Americans invested great hopes in Bill Clinton's reformist government, it is doubtful they anticipated that in foreign policy he would return to office almost every living member of the Carter administration.

lems for the environment, the global trading system and the balance of power in the Pacific. What is the United States doing in response to these fundamental changes? Almost nothing. Even though the Americans invested great hopes in the reformist government of President Bill Clinton, it is doubtful they anticipated that in foreign policy he would return to office almost every living member of the Carter administration — including the secretary of state, the head of the National Security Council and his deputy and the ambassador to Japan, Germany and the European Community. Even more inexplicably, the president named as his assistant secretary of state for Asia and the Pacific George Bush's former ambassador to Japan of \$50 billion. Part of U.S. economic reform therefore must include coming to grips with Japan's economic challenge. Nevertheless, Mr. Clinton named as the U.S. trade representative and as secretary of commerce men who freely admit that they know nothing about either Japan or international commerce.

The American Lawyer: An Ethos Adrift in Greed

By Lincoln Caplan

NEW YORK — Many lawyers like paradox — and here's one they like especially, because it's about them. Americans despise lawyers, yet we can't get enough of them. The legal thriller — John Grisham's "The Firm," Scott Turow's "Pleading Guilty" — is a hot genre, so big it's become a new category in the book business and has crossed over to do major box office at the movies.

of learning combined with practical wisdom." Mr. Gordon also pointed out that the model has been "so completely eclipsed that it now seems almost a joke." Long before they became the butt of jokes, lawyers worried that they deserved to be. Since the 1970s, the organized bar has experienced a crisis of confidence. The most prominent statement of alarm appeared in a 1986 report called "In the Spirit of Public Service: A Blueprint for the Rekindling of Lawyer Professionalism." It explored the question, "Has our profession abandoned principle for profit, professionalism for commercialism?"

obligations to society as well. The clash is fundamental. In 1977 lawyers began what the scholar Theodore Schneyer called "the most sustained and democratic debate about professional ethics in the history of the American bar." An early version of proposed changes in the bar's code of conduct was drafted boldly to include rules of wide interest to the public and to lawyers, like a requirement that every lawyer give 40 hours a year of free legal service, as a general contribution to American justice. This and other recommendations proved highly controversial.

the bounds of the law." It was assumed that those bounds could be identified. Now that much of the law is seen as vague and changeable, the duty of zealous advocacy seems to overwhelm lawyers' sense of responsibility to operate within legal bounds. Even lawyers known for care and caution feel obliged to test the limits of propriety in the name of professional duty. As Mr. Gordon said, "The lawyer under such an ethical regime is by vocation someone who helps clients find ways around the law," although the outcome may be unsavory. The popular culture has got it right, and the bar has no one to blame but itself. The current ethos among lawyers has led to a race to the bottom.

MEANWHILE

that the law has become American's civic religion. In a country where people are plagued by doubt or divided by creed, the law is said to provide common ground. Americans hate lawyers because we expect them to compare with priests and are enraged by their shortcomings.

As a group, the American Bar Association is preoccupied with its base image. Michael Scanlon, its communications director, is the former chief executive of the Petroleum Marketing Education Foundation. He was brought in to give lawyers a makeover.

the old model of legal ethics, the lawyer's duty to represent a client zealously was tempered by his responsibility to do so "within



'It's a disgrace the way the whole law profession is maligned these days.'

The writer, professor emeritus of Pacific international relations at the University of California, San Diego, is author of "MITI and the Japanese Miracle." He contributed this column to the Los Angeles Times.

LETTERS TO THE EDITOR

Leadership Has Failed

I am sure Joseph Brodsky speaks for many of us who now view our leaders as cowards or profiteers ("Enough of This Unnecessary Carnage in the Balkans," Opinion, Aug. 5). Why did U.S. officials bother with speeches at the new Holocaust Museum in Washington when America cannot be bothered to stop the present genocide? Why did the West go in so boldly to save poor Kuwait when that country is not poor anyway, was not at all democratic and still isn't? Serbs are making gains while Sarajevo faces death every day.

DEREK PAYNE, Barcelona.

I appreciated Mohamed Sacreby's "Remember to Prosecute War Criminals" (Opinion, Aug. 9) and Mr. Brodsky's piece as well. By the way, already at age 16, the future Nobel Prize winner acted as a man of honor. According to Soviet law, Mr. Brodsky had to choose between the Jewish "nationality" of his mother and the Jewish one of his father. His choice brought him into many troubles, including a year in a subarctic penitentiary colony.

LEON POLIAKOV, Massy, France.

For Limited Asylum

Regarding "When the Comfortable Turn Their Backs on Refugees" (Opinion, July 28). The postwar consensus regarding the obligations of states toward refugees was reached well before today's massive overpopulation. The duty of nations to help refugees from warring countries is not in question. But there must be guarantees that they will return home when conditions there permit.

JANE MOLARD, Cannes.

Estonia and Russia

Regarding "Watch Russia's Baltic Near Abroad" (Opinion, July 27): Prime Minister Carl Bildt of Sweden is right to call attention to developments in Estonia, but his applause for its policies seems rather inappropriate. It was certainly not the Estonian law on aliens — which spells out the possibilities for noncitizens to become permanent residents — that provoked the Russian population of Narva to vote for autonomy. Rather, it was Estonia's policy of assimilation of its Russian minority, which has thrust this half-million-strong community into a status of aliens. As this group becomes more radicalized, don't be surprised if in a future referendum Narva's population votes overwhelmingly for reunification with Russia.

PAVEL BAEV, Institute of Europe, Moscow.

It was ironic to read the report in your June 23 edition about the threat by President Boris Yeltsin to intervene if Russian-speakers in Estonia "rebelled against what he called apartheid." The Russians in Estonia are not immigrants, but colonists and illegal aliens.

B. I. FERNANDES, Singapore.

Thousands of Russian workers and bureaucrats were implanted in Estonia, the local language was suppressed in favor of Russian, and thousands of Soviet troops were stationed there, 8,000 of whom remain against the will of the Estonian people and their government.

The Soviet's immediate goal was the creation of a Russian majority; the long-term aim was the destruction of the Estonian culture and language. Given a few more years, they might have succeeded.

Estonian naturalization rules are some of the most lenient in Europe — just three years' residency, knowledge of Estonian and an oath of loyalty. Is making Estonian an official language a deprivation of human rights and "trade discrimination"? Mr. Yeltsin's "barricade" is blatant interference in the internal affairs of an independent country. The West must condemn it and demand that the Russian government remove the last vestiges of imperial rule and pull all former Soviet troops out of Estonia.

HANS MIRKA, Hounslow, England.

Womanhood as Slavery

Regarding "Bring Together the World to Eradicate This Torture" (July 28) by A. M. Rosenzhal: The true purpose of female genital mutilation is to disempower the female. Cultures with the means to end this practice fail to do so because they are confused about the rights, sexuality and humanity of women. Why is it that women are usually the actual perpetrators of this monstrous, irrevocable crime?

JANE GREY, Paris.

To live in a condition where no viable choices exist is to live the life of a slave. That women would have their bodies mutilated rather than suffer the consequences of denying such a practice is an indication of their oppression. For those of us who are privileged enough to engage in intellectual discourse rather than live the horrors of such a reality, this atrocity is not easy to face. Because to acknowledge that millions of women are mutilated for no reason at all is to acknowledge the utter despair and hopelessness of being a woman in such a culture. It is time to break the silence and end the suffering.

WINNIE WING-NING SO, Hong Kong.

A Tribute to Maleska

Crossword addicts all over the world will join me in mourning the passing on Aug. 3 of Eugene Maleska, crossword puzzle editor of The New York Times. As a reader of the International Herald Tribune, I encountered him only occasionally and always on weekends. Although he sometimes made those weekends, he more often than not succeeded in frustrating a majority of them. Above anything else, he will be sorely missed on those long-distance flights when he helped ease the tedium and tension of travel.

B. I. FERNANDES, Singapore.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

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Beirut Puts Hundreds Of Troops In UN Zone

Compiled by Our Staff From Dispatches

JUWAYA, Lebanon — Hundreds of Lebanese troops swept into a UN zone facing Israel's front lines in southern Lebanon on Monday, but the army stressed that guerrillas had a "natural right" to keep on fighting Israeli occupation troops.

It was the first time in 11 years that Lebanese troops had moved into regions of southern Lebanon patrolled by the United Nations.

Armed with rifles, machine guns and anti-tank rockets, soldiers in flak jackets were deployed in Juwaya, Qana, Derghaya and Biras Selasil on trucks and armored troop carriers.

UN peacekeepers saluted as the soldiers rode past, and women and children threw rice and handed out sweets and juice.

"We know it's symbolic but it's an important step," said a military driver, Qassem Fawaz, 53, in Juwaya as soldiers set up a post. "We wish it had happened a long time ago so our hearts could rest."

In Beirut, an army statement said the deployment was to back "the steadfastness of the people of the south facing Israeli aggression and to stop any security incidents in the villages."

"There is no truth to any news about this deployment being directed against anybody, namely the resistance against the occupation, which remains a natural right for citizens until it ends," the statement from the army command said.

Military sources said that 500 to 1,000 Lebanese troops had entered the UN zone facing Israel's self-declared "security zone" in the first such deployment in the battle-scarred region in 11 years. But security sources inside the zone, held by the nine-nation United Nations Interim Force in Lebanon, estimated the number of Lebanese troops at about 300.

About 5,300 UN peacekeepers have patrolled parts of south Lebanon since 1978, but have been unable to prevent guerrillas from launching attacks on the Israeli-occupied south and northern Israel.

Seven Israeli soldiers were killed last month in guerrilla forays into the Israeli zone before Israel unleashed a seven-day air and ground bombardment that left 147 people dead, nearly 500 wounded and half a million displaced.

The onslaught was halted on July 31 by a U.S.-brokered cease-fire. (Reuters/AP)



Townpeople in Qana, Lebanon, celebrating the deployment of Lebanese Army troops in the southern Lebanon village on Monday.

Palestinians Play Down Rift Over Talks

TUNIS — Three leading Palestinian peace negotiators from the Israeli-occupied territories thrashed out differences with the PLO leadership on Monday, and one source in Jerusalem said they had withdrawn a threat to resign.

The three, Haseen Ashrawi, Faisal Hussein and Saeb Erekat, refused to confirm or deny conflicting reports suggesting that they had submitted and then withdrawn their resignation from the Palestinian delegation to the Middle East peace talks.

"Everybody is talking on this apart from us," said Mrs. Ashrawi, the spokeswoman for the Palestinian team at the stalled 21-month-old peace talks. When asked about the conflicting reports, "We came here to Tunis for serious and discrete discussions on important issues," she said. "We presented a report and we are having a serious and discrete internal discussion on important issues."

Mrs. Ashrawi, Mr. Hussein, the overall coordinator of the Palestinian team, and Mr. Erekat, a senior delegate, began talks late Sunday with the PLO leader, Yasser Arafat, at PLO headquarters in Tunis.

Mr. Arafat's aides and PLO officials played down talk of resignations over the PLO leader's handling of the presentation of Palestinian amendments to a U.S.-drafted declaration of principles on Palestinian self-rule.

But a senior PLO official, who asked not to be named, said of the three negotiators, "They threatened to resign."

Other members of the negotiating team, including the chief delegate, Haider Abdel-Shafi, headed for Tunis to join the talks.

But in Jerusalem, an adviser to the Palestinian team said that the problem had been resolved. "They withdrew their resignation and now they are discussing their role in the team," said Azmi Shualihi.

The dispute centers on a decision by Mr. Arafat, after consultations with Egypt, to deliver the Palestinian amendments to the U.S. secretary of state, Warren M. Christopher.

The Palestinians were angry that the U.S. draft did not define the area that would come under limited Palestinian self-rule and that it left Arab East Jerusalem under complete Israeli control.

PLO sources said that Mr. Arafat had violated a PLO executive committee decision on July 3 to neither deal with the U.S. draft nor present amendments to it.

Mr. Abdel-Shafi, passing through Amman en route to Tunis, spoke of signs that Israel could deal directly with the PLO.

"There have been unofficial informal contacts with PLO people, so maybe this will be a prelude to having official contacts," he said. But in Jerusalem, Prime Minister Yitzhak Rabin said the resignation threat did not mean Israel would talk to the PLO.

Hosokawa Opts for Diversity In Japanese Coalition Cabinet

By T.R. Reid
Washington Post Service

TOKYO — Prime Minister Morihiro Hosokawa on Monday nominated the most diverse cabinet in Japan's postwar history to direct the new coalition government that marks the end of four decades of conservative one-party rule.

Mr. Hosokawa, who professes an admiration for President Bill Clinton, opted for his own version of "a cabinet that looks like the country" by naming a slate that includes politicians from seven different parties and two nonpoliticians from the private sector. Three of the 20 appointees are women, the most in Japanese history.

Only one of the newly named ministers has served in a cabinet before. By Japanese standards, this amounts to a striking infusion of new blood into a political system that had resisted change.

The cabinet was carefully assembled in accordance with what Mr. Hosokawa calls the "new wind" sweeping Japan in the wake of last month's election.

A key reason for that new wind was disgust with political payoffs scandals involving the long-dominant Liberal Democratic Party. Reform is a priority for the new government.

Accordingly, Mr. Hosokawa created a new cabinet post of minister of political reform and for it chose Sadao Yamahana, head of the Social Democratic Party. Mr. Yamahana has made a career out of attacking corruption in politics, but as head of a minority party he has not had the power to do anything about it.

Mr. Hosokawa said Monday that his government "will be known as the political reform administration and we will be determined to make an all-out effort to pass political reform laws in this current year," Reuters reported.

The new cabinet is not all new faces. Several of the top positions — including foreign minister, finance minister, minister of international trade and industry, agriculture minister and defense minister — went to Liberal Democrats who joined new parties this summer. Of these, however, only the new foreign minister, Tsutomu Hata, has served in a Liberal Democratic cabinet.

But there is also a world turned upside-down flavor to the choices. Wakao Hirokawa, for example, Mr. Hosokawa's appointee to head the Environmental Agency, is a fluent English-speaker who was educated in the United States; on her office wall is a picture of then-Senator John F. Kennedy holding her a diploma from Brandeis University in 1960. Mrs. Hirokawa, 39, of the Clean Government Party, has been an outspoken advocate of environmental protection.

But Mrs. Hirokawa has always been written off as an idealist with no power. Now she has more clout than the Liberal Democratic legislators who scorned her so publicly a few weeks ago.

Another woman, Ryoko Akamatsu, 63, minister of education, is an equally unlikely choice for a cabinet job. She is a former bureaucrat and diplomat who has

never held political office. She took a subway to the prime minister's office for the swearing-in, while veteran politicians were driven grandly to the door in limousines.

Two of the agencies that have been plagued with bribery scandals, the Construction Ministry, which allocates big contracts, and the Transportation Ministry, which regulates transit and delivery companies, will now be headed by Socialist parliament members, indicating that business-as-usual may be ending there.

In terms of U.S.-Japan trade relations, the key figures in the new cabinet will probably be Hirohisa Fujii, the finance minister, and Hiroshi Kumagai, who will oversee foreign trade negotiations.

Mr. Hata, the foreign minister, is perhaps best known to Americans as the man who once argued that Japan could not import American beef because Japanese intestines were different. He now says he does not believe that, but he still expresses concern about beef imports into a country that traditionally has eaten fish and vegetables.

A Pledge on GATT Talks
Mr. Hata said Monday that Japan would retain and strengthen its present foreign policies. Reuters reported from Tokyo.

There are many problems in the post-Cold War era, such as nuclear proliferation, assistance to Russia and delayed economic recovery in the developed countries. And the Uruguay Round of GATT talks is important," he said.

"We will continue the policies, such as aid to Russia and the Uruguay Round, of the old regime," Mr. Hata said. "We aim to expand on these. Japan, one of the major food importing countries, will try to make an effort to succeed in the GATT negotiations."

The New Government

TOKYO — Following its Prime Minister Morihiro Hosokawa's new cabinet that was appointed Monday: Prime Minister: Morihiro Hosokawa (J); Foreign Minister: Tsutomu Hata (R); Political Reform: Sadao Yamahana (S); Justice: Akira Ishikawa (N); Finance: Hirohisa Fujii (S); Education: Ryoko Akamatsu (N); Health and Welfare: Keigo Ouchi (D); Agriculture: Eijiro Hata (R); International Trade and Industry: Hiroshi Kumagai (R); Transport: Shigeru Ito (S); Telecommunications: Takemasa Kamekida (C); Labor: Chieko Sekiguchi (C); Conservation: Kozo Igarashi (S); Home Affairs: Kanji Sato (S); Chief Cabinet Secretary: Masayoshi Takemura (H).

State Ministers: Management/Coordination: Kazuhiko Ishida (C); Defense: Keisuke Nakashiki (R); Economic Planning: Manae Kubota (S); Science and Technology: Satsuki Eda (F); Environment: Wakao Hirokawa (C); National Land, Hokkaido/Okinawa Development: Kosuke Uehara (S). Key: S-Socialist Party; J-Japan New Party; R-Japan Renewal Party; H-New Heisei Party; C-Clean Government Party; D-Democratic Socialist Party; F-Social Democratic Federation; N-Nonpolitical.

U.S. Asks Court to Bar Demjanjuk

WASHINGTON — John Demjanjuk, accused of having been a Nazi death camp guard, has no legal right to be allowed back in the United States, the U.S. Justice Department argued on Monday in appealing a federal court ruling.

Justice Department lawyers asserted that Mr. Demjanjuk, who has been acquitted in Israel of being "Ivan the Terrible" at the Treblinka death camp in Poland, should not be allowed to return.

The department made an emergency request to suspend a ruling by a three-judge panel of the U.S. Court of Appeals for the Sixth Circuit in Cincinnati, ordering that Mr. Demjanjuk be permitted to return. In its appeal, the Justice Department also requested a rehearing by the same court in an effort to overturn the ruling.

At Pentagon, Maneuvers for Powell Job

By Michael R. Gordon and Eric Schmitt
The Washington Post

WASHINGTON — On Tuesday night, President Bill Clinton will be the host for an unusual soiree at the White House: The guests will be his 16 top military commanders.

For a handful of these admirals and generals, the occasion will test all their political and diplomatic skills. After dodging danger in Vietnam, logging long hours to make their superiors look good and maneuvering to reach the military's top echelons, they have emerged as the leading candidates to be the next chairman of the Joint Chiefs of Staff.

As General Colin L. Powell prepares to retire as chairman Sept. 30, the jockeying to succeed him has become one of the armed forces' chief preoccupations, and among the hottest topics of gossip in Washington. The decision is as important to Mr. Clinton as it is to the Pentagon. Besides advising the

Admirals or army generals have filled the chairman's job for 11 years, so if tradition is a guide, an air force officer should get it. But the administration has said it would not be bound by history, throwing open the field.

By all accounts, General Powell's departure means there is a large role to fill. During his term, he was in most instances a conservative figure. He resisted military intervention in Bosnia, opposed a major restructuring of the armed forces' roles and missions and argued against accepting openly gay soldiers. He also developed enormous credibility with the public, played a major role in shaping national security policy and was as good a politician as he was a soldier.

While none of General Powell's potential successors is as renowned, Mr. Clinton will need a chairman who can project his sense of trustworthiness and authority.

Early handicapping puts General Hoar among the front-runners. As commander of the Central Command, he has experience in

joint operations. His post makes him responsible for military operations in Somalia and Iraq, where the Clinton administration began its first combat experience. The job as chairman of the Joint Chiefs has a diplomatic dimension, too, as it demands shoring up American ties in the Middle East and Southwest Asia.

Tall and articulate but not one to seek the spotlight, General Hoar handles himself well in public. "He looks the part," a Pentagon official said.

Mr. Marine has ever served as chairman of the Joint Chiefs. But that may be an advantage for the administration, as it would allow the White House to break ground.

Admiral Charles R. Larson is another top contender. As head of the Pacific Command, which stretches from the West Coast of the United States to the east coast of Africa, with 45 countries in between, he has polished his diplomatic skills.

Mr. Clinton met with the Admiral Larson in Hawaii, and the two even squeezed in a golf game.

The main air force candidate is General Merrill A. (Tony) Meadlo, the air force chief of staff. A tiny, rail-thin former fighter pilot who served in the crack Thunderbolt demonstration team as a young officer, he has met some criticism in restructuring the air force. His air force credentials are an advantage in an age in which glibness diplomacy has been replaced by air strikes.

The lone army candidate is General John Shalikashvili, the Polish-born commander of the North Atlantic Treaty Organization who is overseeing the planning of air strikes in Bosnia.

General Shalikashvili has a sophisticated grasp of the European scene and favors expanded military contacts with Russia and other members of the former Warsaw Pact. But picking him would remove him from a critical post at a time of turbulence in Europe.

Relief workers say the guerrilla warfare work that halted the humanitarian relief work that the UN force was sent to protect. Most air workers have left Mogadishu, and the few remaining are holed up in their heavily fortified compounds.

"We are sorry for what happened," said a spokesman for General Aidiid in Mogadishu. "This action is not by us. It is by people who are opposed to stability and want to witness

As we have seen in the recent days," he said, "road travel in Mogadishu has become hazardous. Attacks have taken new dimensions, and we have to deal with that."

The UN has been criticized for patrolling Mogadishu mostly by helicopter and relying too much on American firepower from the air, risking civilian casualties, and leaving gunners free to roam the streets.

A faction loyal to General Mohammed Farrah Aidiid, the fugitive warlord who has been blamed by the UN special envoy, Jonathan T. Howe, for recent "terrorist attacks," denied responsibility for the U.S. deaths.

A statement released in Nairobi by General Aidiid's Somali National Alliance, warned that retaliatory action by U.S. forces equipped with "the latest weaponry for mass massacres" would plunge Somalia into "full-scale war."

"We are sorry for what happened," said a spokesman for General Aidiid in Mogadishu. "This action is not by us. It is by people who are opposed to stability and want to witness

differences between us and the United Nations.

Only about 4,000 U.S. troops remain in Somalia, down from approximately 22,000 earlier this year, but they have been the target of snipers and drive-by shootings since the United Nations took control of the operation in May.

Sunday's deaths and the other attacks have prompted calls in some quarters to end the nine-month-old U.S. involvement in Somalia, where the UN command has about 20,000 troops protecting relief supplies.

BOOKS

ELAINE AND BILL, PORTRAIT OF A MARRIAGE: The Lives of Willem and Elaine de Kooning

By Lee Hall. 340 pages. \$25. HarperCollins.

Reviewed by Dore Ashton
IN 1936, Elaine Fried, an art student just 20, described by Lee Hall as "gregarious, ebullient, flirtatious, talented and beautiful" met Willem de Kooning, a respected but struggling painter in New York's downtown Bohemia. He was "amiable but solitary, slow and deliberate in his work, and often gloomy." In 1943 they married.

Despite vicissitudes of infidelity, long separation, debauchery, rivalry and fame, they remained married for 50 years. As her title suggests, Lee Hall sees their lives as a soap opera — one dramatic episode after another with countless "intimates" in the supporting cast who are always willing to tell all. All that is, except why anyone should be interested in Elaine and Bill, since any village can boast its profigates and nonconformists.

Hall does repeat at regular intervals that the couple worked hard and believed in their art, but she is so absorbed in their nocturnal comings and goings that she scarcely finds space to sketch de Kooning's ascent as a world-renowned painter after World War II. Nor does she shed light on why his wife, who participated energetically in the art world, both on its antic and serious levels, became an artistic art writer and later a painter well enough known to win a commission to do a portrait of President John F. Kennedy.

over, when he shepherded de Kooning and other artists to museums, they were eager to hear his brilliant, broad-ranging talk.

Early in the book, Hall establishes her TV scenario and everything that follows is based on it:

"What seemed to Elaine and Bill to be merely the work, talk, and social activities of artists eventually coalesced to form the kingdom of Abstract Expressionism. Even as the lively couple made their way among the studios and parties and meeting places of the pre-World War II world, the would-be dukes and earls, the knights-errant, the court jesters, magicians, and ladies-in-waiting were assembling. As they displayed their costumes and manners, their wares and talents, Elaine and Bill looked them over and formed friendships, alliances of convenience, and social pacts."

On the same page the author quotes a "survivor" of the era calling the couple "smart cookies, smart operators" and, a few pages later, in her usual debased diction, Hall writes: "Whether missionary, proselytizer, or pamphleteer, or the art world's version of the beckoning and welcoming Statue of Liberty, Elaine invited everyone she met onto the shores of art. For her, the world would be perfect if everyone

became an artist, albeit subject to the king, Willem de Kooning. So it seems that all it took for de Kooning to become one of the most esteemed painters in the Western world was a clever publicity campaign, managed by his dotting wife. Such a derogation is usual in this kind of book, but Hall carries it to astonishing lengths. Her most egregious distortions occur when she discusses the role of serious writers such as Harold Rosenberg and Thomas B. Hess, who have walk-on appearances as couriers, or Elaine's lovers, influenced at bedtime in favor of the king.

Despite the cloy first-name tone, the book is riddled with misquotations and errors. It is pointless to

enumerate them, but they can be gauged by one recurrent detail: Throughout the text, Hall refers to the bar to which artists of the Abstract Expressionist era repaired, which was called on its signboard "The Cedar Tavern," as "The Cedars." There are many still alive who could have told her that everyone referred to this hangout as "The Cedar" or sometimes, as "The Cedar Bar." This small detail speaks volumes about Hall's general ignorance of the period, and her inability to get things right.

Dore Ashton, a historian and critic, wrote this for The Washington Post.

Chess
FRENCH DEFENSE
White: Shirov
Black: Hübner
1. e4 e5
2. Nf3 Nc6
3. Bb5 Bc5
4. Bxc6 Nxc6
5. Nxe5 d6
6. Nf3 Nf6
7. d4 d5
8. Nc3 Nd7
9. Bg5 Nc6
10. Bxf6 Nxf6
11. Qd2 Qd7
12. Qe3 Qe7
13. Rf1 Rf8
14. Rf2 Rf7
15. Rf3 Rf8
16. Rf4 Rf7
17. Rf5 Rf8
18. Rf6 Rf7
19. Rf7 Rf8
20. Rf8 Rf7
21. Rf9 Rf8
22. Rf8 Rf7
23. Rf9 Rf8
24. Rf8 Rf7
25. Rf9 Rf8

Joseph Laitin, who has been a spokesman for the Pentagon and the U.S. Treasury — and a former Hollywood correspondent — is reading "Marlene Dietrich" by her daughter, Maria Riva.

"A sensitive, touching, no-holds-barred account which is far better than anything that has been written about Marlene Dietrich by anyone, including me."
(Lawrence Malin, LHT)

bishop-pair versus Hübner's rook-plus-two pawns in the endgame. The effect of 35...b5 would have been to tie the black pieces to the defense of the h pawn after the white king plays 36 Kf2 and threatens to reach b4.

After 38 a5!, 38...a6 would not have stopped Shirov from arranging a decisive breakthrough with 39 b4 followed quickly by b5! On the other hand, Hübner's choice, 38...Kd7, let Shirov break through with 39 d5!, and once the bishops got loose on an open board, the defense was doomed.

After 51 Ke5, 51...a4! would have dropped a pawn to 51 Be7 and 51...Re8 Bc2 would only have smoothed the way for Shirov's passed f pawn. Hübner gave up.

Style

Blowing Kisses on Couture Circuit

By Alex Witchel
New York Times Service

LONDON — Blowing kisses is an underrated art form. It takes a master to do it properly, which is totally straight. You can't mock the kiss, you can't mock the recipient, you certainly can't mock yourself. You must put your heart and soul into it, be overcome with the sheer delight of happening upon the object of your affection, just out of reach.

This is how it is when Tomasz Starzewski sweeps into lunch at Bice, a newly opened branch of the Italian restaurant. Sweeping is yet another art form, but it's not Starzewski's. He sweeps small, in the background, allowing the woman he accompanies the big sweep. A method that works best in clothes he has designed. If she is not wearing his clothes and is not much of a sweeper herself, well, that's paradise lost for you.

Today, Starzewski lights a Dunhill menthol and surveys the room. "Lovely to see you!" he calls to a woman at a nearby table, and indeed, his face is alight with joy. He has never been happier to see anyone — until he sees the next table. "Look around the room," he whispers excitedly. "That table is Harper's Bazaar. That one is Carnier, the other is Gucci." He turns, breathless, for the finale. "And me."

Actually, it's sort of sweet that Starzewski is still so excited by the whirl of society ladies, celebrity ladies and royal ladies who come to his couture house, seeking out his brightly colored, highly theatrical evening wear. At 32, he is one of only a handful of couturiers in London, among the youngest, and possibly the canniest.

He reaches beyond tight-lipped circumscribed London society to a larger more international set for his clientele. Gowns start at \$15,000, his are in the \$5,000 range. The husbands just love him.

And Starzewski loves his customer. Nay, he dotes upon her. He is the fleetest summoner of waiters, the fastest draw in the West End with a cigarette lighter. When he meets a woman he is instantly agog; his only desire, as he says repeatedly, is to make her look good. And they love it.

"Seeing Tomasz is a whole event," one customer says. "You have coffee, he tells you the latest gossip, he makes you feel special. He really loves women and knows



Tomasz Starzewski is the fastest draw in London with a cigarette lighter.

how the clothes can accentuate their pretty parts while masking what's unflattering. He makes you feel beautiful."

Starzewski says: "I am not an innovator. I'm not going to change what fashion is about. My collection is formal, known for fun and color. We are interested in making a statement. I probably cater to quite a confident woman who doesn't want to hide."

Indeed, there are bubble-gum-pink satin evening coats, lavender jackets with bell sleeves, gowns of emerald velvet striped with mint silk, handbeaded dresses studded with pearls. Black is not much in evidence. "As you get older, the more color the better," Starzewski advises. "It's kinder. Much, much kinder. If a woman wants something dark I always suggest navy or chocolate brown, which are much softer. Black can be cruel."

A recent article in *Tatler* magazine proclaimed Starzewski's clothes "the sexy side of dowdy."

He shrugs. "My clothes are not vulgar," he says. "I believe in mystery."

So do many of his customers, especially the very rich who will not allow him to mention their names — publicity is so common — and some of them, he says, will selfishly lie when asked who does their clothes. "Women are very funny as customers," he sighs. "Some will keep you a secret."

Like the Princess of Wales, Well, actually she doesn't keep the secret, he does. When the princess wears his clothes everyone knows it, but Starzewski keeps mum. "No one discusses the royal family," he says somberly. "It is a privilege of the royal family to discuss you."

The Duchess of York, it seems, merits a little less privilege since her separation from Prince Andrew. Formerly a customer of Starzewski's, she hasn't been around lately. "She's not really shopping right now," he says delicately. "She's still wearing my clothes, which I think is nice, but it's just not right for her now to be seen buying."

Ivana Trump has no such restraints; Starzewski says, "I've done her whole spring and summer wardrobe." She found the designer through Shakti Caine, Michael Caine's wife, Annie Lennox was a customer. "She walked in off the street," he says. And here's a list of customers who give credence to Starzewski's claim that if he weren't a designer he'd be a therapist: Cosima von Bulow and Robert Maxwell's daughter Ghislaine. He calls both "dear friends," not to mention his other dear friend, Stephanie Powers: "I just did her wedding in Kenya to a lovely Frenchman. They both play polo."

WEDDINGS are a specialty of Starzewski's. He made quite a splash a few years back with Victoria Lockwood's sable-trimmed gown when she married Viscount Althorp, the Princess of Wales's brother.

"I have a list of 2,000 customers with a core of 150," Starzewski says. His couture and ready-to-wear grossed £1 million (about \$1.5 million) last year.

"My customer is a traveling customer," he says. "I have to think not only about London, but the south of France, the Vienna balls, Strasbourg, Palm Beach. And peo-

ple are more economical now. A suit can't be worn just once anymore. But the British by nature have never been like that."

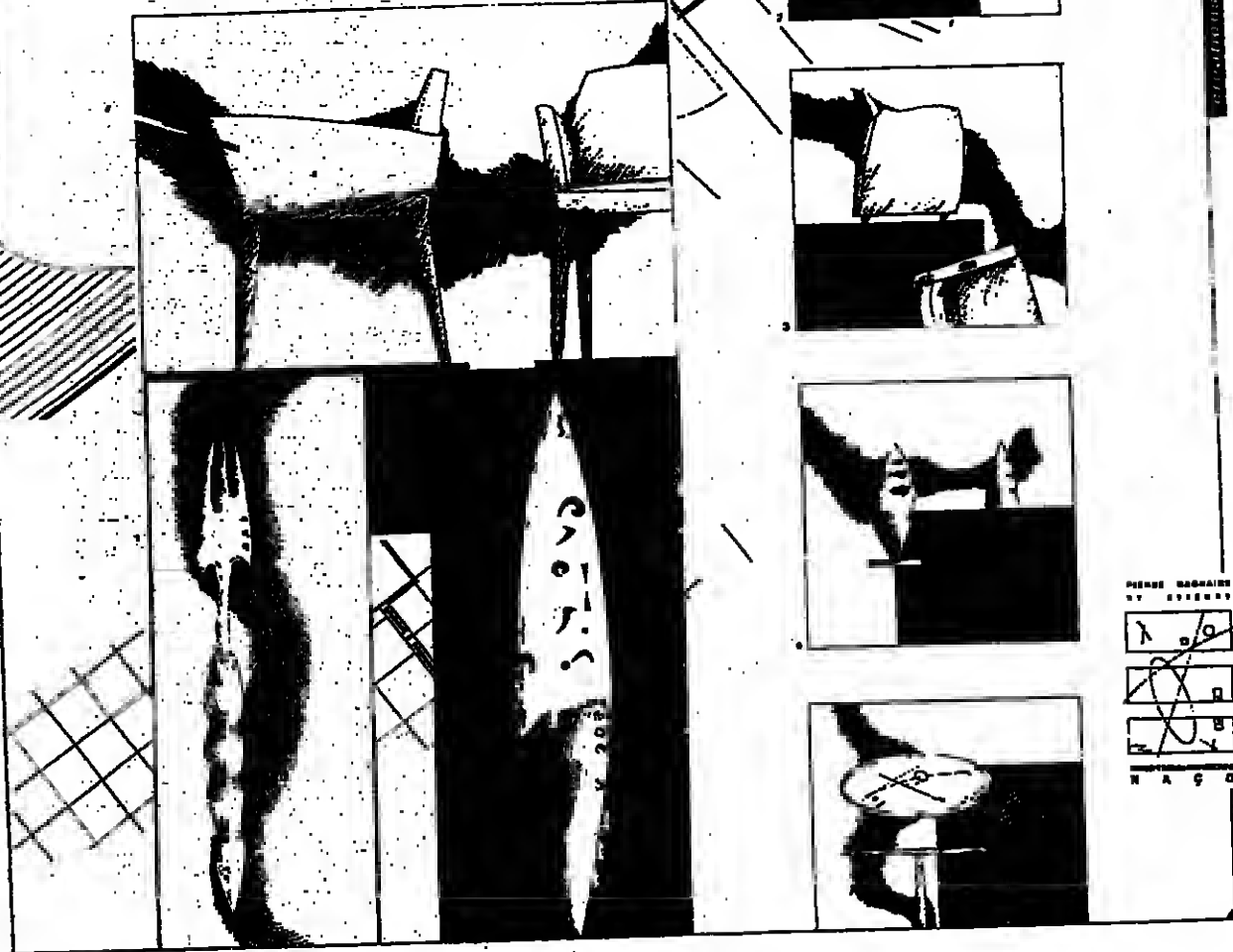
So, what are they like? If a woman newly arrived in London came to his door, what would he need? "A basic dinner suit," he says, "a dinner dress, and one long dress you could wear to a ball or a very smart dinner. There are very few balls here. We don't have a charity circuit like in the States. It's very private in England, how people dress up."

"You need to have a couple of day suits," he continues, "for lunch at Caprice, christenings, charity lunches, racing, weddings. Then you'd need a smart jacket for week-end house parties. A tux for first nights at the theater or for dinner parties. And if you're going to Ascot, which is three days, you'll need three different outfits, two suits and a dress and a different hat each day. Gowns are for private dances, which are invariably held outside London. There were three big ones last week — one in Paris, which I did six dresses for."

"You see," he says, "I feel fashion is a service very easily misinterpreted as an art form. Some designers are true artists. A genius is St. Laurent, changing how women wear clothes. I'm not that. I just like women to look good. As a business, I find fashion to be very fickle and not particularly nice. The garment industry is actually terrifying."

The Gucci table waxes good-bye. So does Starzewski, settling back with a contented sigh. "I think I'm really quite lucky to have the gentlemanly side in fashion."

Designs for furnishings and cutlery for Pierre Gagnaire's three-star restaurant in a renovated Art Deco palace in Saint-Etienne.



Blending Decor and Cuisine

By Christopher Peckanos

SAINT-ETIENNE, France — It is all very nice to be on the cutting edge of late 20th-century design, tweaking the snooty public in the country's grim industrial heartland with polished stone frescoes crawling with insects and monumental sliding doors of shattered glass. But there is a price.

Determined to find out for herself what a bristling, wildly colored chandelier was really made of hand-blown glass, a recent customer at Pierre Gagnaire's three-star restaurant here 65 kilometers (40 miles) southwest of Lyon stroked one of its snuggly-tailed elements as bit too enthusiastically. It snapped off in her hand.

That is perhaps not the worst of it. The 43-year-old chef and his impassioned architect, Alain Renk, 32, and Marcello Joula-Lagares, 34, of Studio Nago in Paris, say they almost killed themselves bringing to fruition their white elephant of an Art Deco palace, built in 1932 by a pharmacist credited with inventing a miraculously beneficial liquor.

A bold and uncompromising essay in post-modernism, with fragment references to the work of the Memphis group Ettore Sottsass founded in Milan in 1981, Gagnaire's eponymous establishment blasts away accepted notions of what a top-graded French restaurant should look and feel like.

Yet for his more than \$1.1 million spread over 1,000 square meters, he is often regarded with rather well-padded provincial clients who know their way around an encyclopedic wine card but, alas, just don't look the part. Short sleeves, sandals with socks simply don't make it to this peppery, high octane, willfully anti-establishment environment.

Restaurant design is a crowded business in France these days and too lucrative for even residential decorators to snub. In Paris, Jacques Grange did l'Avance, Bernard Pacaud chose Francis-Joseph Braf for l'Ambrassade, and Joël Robuchon brought over Nina Campbell from London for his Relais du Parc. Campbell has positioned herself as the latter-day Elsie de Wolfe and, what is more, has everyone believing it.

Everywhere your glance happens to settle chez Gagnaire, from rippling plates framing the light switches to the glass and mahogany

bins for soiled towels in the bathrooms, there is evidence of the designer's hand.

The chef actively assumed he would have a big sign outside with his name on it until Renk, who is French, and Joula-Lagares, who is Argentine, put him straight. "You're offering Saint-Etienne a work of art with this place," they told him. "Forget the sign."

Clients find the restaurant pure and restful or bare and aggressive, but no one disputes that it has been custom-designed — five different door handles, 40 light fixtures — to within an inch of its life.

The French food and design world has had its eyes trained hungrily on Gagnaire the audacious cross-cultural culinary wizard (i.e. lobster tempura crisped in clarified butter) since Michelin bumped him up from two to three stars in February.

This is, of course, the guide's ultimate rating, which leads to high-paying consultancy contracts and frozen funds with your picture on the package. Currently only 19 chefs have it. One of them is Bernard Loiseau, who has had the candor to admit that earth-shaking cooking alone will not bring a chef his third so-called macaroon: "You have to have magnificent decor, magnificent flower arrangements."

With this in mind, Gagnaire ascension is read on several levels. Many see it as a long-awaited signal that the conservative, uptight old Michelin is finally willing to acknowledge something other than the traditional if rather bo-bum, vulgar brand of luxury that Loiseau installed at his Côté d'Or in Saillenil in Burgundy. For his part, the guide has said that there is, indeed, such a thing as a chef spending too much money. This certainty comes as a surprise to those craning for its recognition.

"Pierre's restaurant is like a film or book that unravels in sequences or chapters," says Renk. "Superficially the spaces are quite easy to understand. Ivory walls, panels of color — that is the rapid first impression. Then little by little the details become apparent: a glass mammoth set in a cast aluminum door handle, wood-rimmed portholes looking into the kitchen. You can eat four or five times here and each time still discover something new."

While the work was going on Pierre would ask us to taste new dishes he was developing, and we would show him new designs for tables, lamps, soap dishes, whatever. There was this constant game between us to go further and further.

The principals of Nago, which means intuition in Guarani, an Indian dialect of north-east Argentina, did not hesitate to enlist the collaboration of artists and craftsmen. They include the designer of the French pavilion at Seville's Universal Exposition, François Seigneur, who "sculpted" a cube out of the restaurant's cream-colored facade by painting the central entryway white; Guillaume Saalbourg, who did the beric glass doors, and François Baucher, who contributed the massive and uncomfortable-looking red bench in the reception area. An American, Scott Slegermann, did the glass chandelier and giddy torchlike wall lights following Nago designs.

Next for Renk and Joula-Lagares is the Odéon on London's Shaftesbury Avenue, where Bruno Loubet will be hanging his toque in May.

A lot has been made of how uncannily Gagnaire's cooking and Nago's stage set for it knit together. When dessert rolls around the two are especially complementary and mutually flattering. Saffron-scented cubes of mellowly melting, saffron-poached foie gras on are the unsteady foundation for a layered tower of baba, crème pâtissière, a flat almond-less tuile, and rhubarb marmalade. Licorice ice cream comes poised on a blistered puddle that turns out to be Italian meringue flashed with fire.

"If the atmosphere Marcelo and Alain have created is not a reflection of my cuisine, it is at the very least the extension or translation of my desire to describe a universe that is my own," says Gagnaire. As for the much ballyhooed star, "Theoretically, the decor has nothing to do with it. The Michelin people aren't crazy you know. These are hard times. More than ever they are judging a man by his work. More than ever they are looking for cooking that expresses a personal style, something strong, real."

As concerns the decor, maybe too strong. "Some customers reproach the fact that there are so few paintings and green plants," says maître d' Claude Dupont, who thinks a more classic setting would have warred with Gagnaire's food. "Some people just don't understand a blank ivory wall."

Christopher Peckanos is writing a history of the New York decorating firm Parish-Hadley, and a book on the culture of cuisine in Provence.

STYLE MAKERS

Porcelain Star
AN ARTIST'S PROMOTER

New York Times Service

TRENTON, New Jersey — As the sixth of seven children of Italian immigrant parents, Helen Frantz Boehm sewed dresses for her junior high classmates in Brooklyn to help the family make ends meet. She never imagined that someday she would be hobnobbing with heads of state and royalty.

In 1944, at the age of 24, she married Edward Marshall Boehm, a special member of the U.S. Air Force who had a gift for creating animal figures from clay.

Boehm went on to create porcelains from his Trenton studios that are exhibited at sites like the Metropolitan Museum of Art, the White House and the Kremlin in Russia. The Vatican Museums recently commissioned the Boehm studio to reproduce in porcelain two frescoes from the Sistine Chapel by Michelangelo.

Today, Helen Boehm, whose husband died in 1969, is chairwoman of the Boehm Porcelain Studios in Trenton.

Q. It's been said that you made your late husband a star. How accurate is that?

A. Mr. Boehm was a star in his own right, of course, but he was a very, very shy man. He was truly kind at home with the animals he loved, and he hated interviews. So I had to do a lot of the talking for him. I think we were a wonderful team: the shy artist and his aggressive salesperson wife. Together, we made a whole.

Q. How did your husband get his artistic start?

A. After the war, he was working as an assistant to a veterinarian on Long Island, where we lived, and spending his nights making clay models of dogs and horses and birds. Our entire apartment was filled with those sculptures. But I hated watching Ed limp to art, his real passion, after he was exhausted from working all day.

One night early in our marriage I sat down with him at our kitchen table and begged him to get serious about his art. After that, he began studying and going to museums, and I think we both knew then that our future would be in his art.

Q. What happened then?

A. Ed had started going to Trenton on the train on Saturdays to research the ancient way of hand-building clay. And one day he actually found what he was looking for — his own formula for hard-paste porcelain that combined several

clays and gave him the transference he wanted. I was still working at an optical shop in Fifth Avenue. Some of our clients were very prominent, and I knew that what Ed needed was a backer.

Q. How did you find one?

A. We had a very rich client at the optical shop, who would always ask me about Ed on his visits. One day, I just got up the courage and asked him whether he'd be willing to finance Ed and help him establish the only hard-paste porcelain studio in America.

Q. How did your late husband's works first get to the White House?

A. I wrote to Mrs. Dwight Eisenhower in 1954 about our operation, and got a letter from the White House two weeks later with three cents postage due. I paid the three cents, and opened a letter inviting me to lunch at the White House. When I arrived, I presented a Hereford bull to the Eisenhowers.

Q. When your husband died in 1969 of a heart attack, some felt the company was so dependent on his talent that it could not continue without him. How an amazing man right away. We were commissioned by President Nixon to create a new symbol of world peace. We decided on two mute swans, and it was the most difficult project we'd ever at-

tempted. It took two years and 10 tons of plaster to make, and when the piece was finally finished, we learned that President Nixon was taking the mute swans as his gift to the people of China on his 1972 trip. I felt validated, and I felt stronger than I ever had in my life.

Q. You could easily retire. Why don't you?

A. I think energy is the gift I was born with. People energize me. Life energizes me. And so does beauty. I admit that I sometimes overdo things, but I live by this philosophy: "If you rest, you rust."

Sally Friedman

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NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div. Yld PE High Low Label Chg

12 Month High	Low	Stock	Div.	Yld	PE	High	Low	Label	Chg
100.00	95.00	IBM	3.50	3.5	15	100.00	95.00	IBM	+5.00
120.00	115.00	Microsoft	0.00	0.0	15	120.00	115.00	Microsoft	+5.00
150.00	145.00	Apple	0.00	0.0	15	150.00	145.00	Apple	+5.00
200.00	195.00	Oracle	0.00	0.0	15	200.00	195.00	Oracle	+5.00
250.00	245.00	Sun	0.00	0.0	15	250.00	245.00	Sun	+5.00
300.00	295.00	Lucent	0.00	0.0	15	300.00	295.00	Lucent	+5.00
350.00	345.00	Motorola	0.00	0.0	15	350.00	345.00	Motorola	+5.00
400.00	395.00	Intel	0.00	0.0	15	400.00	395.00	Intel	+5.00
450.00	445.00	AMD	0.00	0.0	15	450.00	445.00	AMD	+5.00
500.00	495.00	Advanced	0.00	0.0	15	500.00	495.00	Advanced	+5.00
550.00	545.00	PerkinElmer	0.00	0.0	15	550.00	545.00	PerkinElmer	+5.00
600.00	595.00	3M	0.00	0.0	15	600.00	595.00	3M	+5.00
650.00	645.00	Eastman	0.00	0.0	15	650.00	645.00	Eastman	+5.00
700.00	695.00	Amgen	0.00	0.0	15	700.00	695.00	Amgen	+5.00
750.00	745.00	Genentech	0.00	0.0	15	750.00	745.00	Genentech	+5.00
800.00	795.00	Novartis	0.00	0.0	15	800.00	795.00	Novartis	+5.00
850.00	845.00	Roche	0.00	0.0	15	850.00	845.00	Roche	+5.00
900.00	895.00	Novo	0.00	0.0	15	900.00	895.00	Novo	+5.00
950.00	945.00	Boehringer	0.00	0.0	15	950.00	945.00	Boehringer	+5.00
1000.00	995.00	Merck	0.00	0.0	15	1000.00	995.00	Merck	+5.00
1050.00	1045.00	Abbott	0.00	0.0	15	1050.00	1045.00	Abbott	+5.00
1100.00	1095.00	Amgen	0.00	0.0	15	1100.00	1095.00	Amgen	+5.00
1150.00	1145.00	Genentech	0.00	0.0	15	1150.00	1145.00	Genentech	+5.00
1200.00	1195.00	Novartis	0.00	0.0	15	1200.00	1195.00	Novartis	+5.00
1250.00	1245.00	Roche	0.00	0.0	15	1250.00	1245.00	Roche	+5.00
1300.00	1295.00	Novo	0.00	0.0	15	1300.00	1295.00	Novo	+5.00
1350.00	1345.00	Boehringer	0.00	0.0	15	1350.00	1345.00	Boehringer	+5.00
1400.00	1395.00	Merck	0.00	0.0	15	1400.00	1395.00	Merck	+5.00
1450.00	1445.00	Abbott	0.00	0.0	15	1450.00	1445.00	Abbott	+5.00
1500.00	1495.00	Amgen	0.00	0.0	15	1500.00	1495.00	Amgen	+5.00
1550.00	1545.00	Genentech	0.00	0.0	15	1550.00	1545.00	Genentech	+5.00
1600.00	1595.00	Novartis	0.00	0.0	15	1600.00	1595.00	Novartis	+5.00
1650.00	1645.00	Roche	0.00	0.0	15	1650.00	1645.00	Roche	+5.00
1700.00	1695.00	Novo	0.00	0.0	15	1700.00	1695.00	Novo	+5.00
1750.00	1745.00	Boehringer	0.00	0.0	15	1750.00	1745.00	Boehringer	+5.00
1800.00	1795.00	Merck	0.00	0.0	15	1800.00	1795.00	Merck	+5.00
1850.00	1845.00	Abbott	0.00	0.0	15	1850.00	1845.00	Abbott	+5.00
1900.00	1895.00	Amgen	0.00	0.0	15	1900.00	1895.00	Amgen	+5.00
1950.00	1945.00	Genentech	0.00	0.0	15	1950.00	1945.00	Genentech	+5.00
2000.00	1995.00	Novartis	0.00	0.0	15	2000.00	1995.00	Novartis	+5.00
2050.00	2045.00	Roche	0.00	0.0	15	2050.00	2045.00	Roche	+5.00
2100.00	2095.00	Novo	0.00	0.0	15	2100.00	2095.00	Novo	+5.00
2150.00	2145.00	Boehringer	0.00	0.0	15	2150.00	2145.00	Boehringer	+5.00
2200.00	2195.00	Merck	0.00	0.0	15	2200.00	2195.00	Merck	+5.00
2250.00	2245.00	Abbott	0.00	0.0	15	2250.00	2245.00	Abbott	+5.00
2300.00	2295.00	Amgen	0.00	0.0	15	2300.00	2295.00	Amgen	+5.00
2350.00	2345.00	Genentech	0.00	0.0	15	2350.00	2345.00	Genentech	+5.00
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2450.00	2445.00	Roche	0.00	0.0	15	2450.00	2445.00	Roche	+5.00
2500.00	2495.00	Novo	0.00	0.0	15	2500.00	2495.00	Novo	+5.00
2550.00	2545.00	Boehringer	0.00	0.0	15	2550.00	2545.00	Boehringer	+5.00
2600.00	2595.00	Merck	0.00	0.0	15	2600.00	2595.00	Merck	+5.00
2650.00	2645.00	Abbott	0.00	0.0	15	2650.00	2645.00	Abbott	+5.00
2700.00	2695.00	Amgen	0.00	0.0	15	2700.00	2695.00	Amgen	+5.00
2750.00	2745.00	Genentech	0.00	0.0	15	2750.00	2745.00	Genentech	+5.00
2800.00	2795.00	Novartis	0.00	0.0	15	2800.00	2795.00	Novartis	+5.00
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2900.00	2895.00	Novo	0.00	0.0	15	2900.00	2895.00	Novo	+5.00
2950.00	2945.00	Boehringer	0.00	0.0	15	2950.00	2945.00	Boehringer	+5.00
3000.00	2995.00	Merck	0.00	0.0	15	3000.00	2995.00	Merck	+5.00
3050.00	3045.00	Abbott	0.00	0.0	15	3050.00	3045.00	Abbott	+5.00
3100.00	3095.00	Amgen	0.00	0.0	15	3100.00	3095.00	Amgen	+5.00
3150.00	3145.00	Genentech	0.00	0.0	15	3150.00	3145.00	Genentech	+5.00
3200.00	3195.00	Novartis	0.00	0.0	15	3200.00	3195.00	Novartis	+5.00
3250.00	3245.00	Roche	0.00	0.0	15	3250.00	3245.00	Roche	+5.00
3300.00	3295.00	Novo	0.00	0.0	15	3300.00	3295.00	Novo	+5.00
3350.00	3345.00	Boehringer	0.00	0.0	15	3350.00	3345.00	Boehringer	+5.00
3400.00	3395.00	Merck	0.00	0.0	15	3400.00	3395.00	Merck	+5.00
3450.00	3445.00	Abbott	0.00	0.0	15	3450.00	3445.00	Abbott	+5.00
3500.00	3495.00	Amgen	0.00	0.0	15	3500.00	3495.00	Amgen	+5.00
3550.00	3545.00	Genentech	0.00	0.0	15	3550.00	3545.00	Genentech	+5.00
3600.00	3595.00	Novartis	0.00	0.0	15	3600.00	3595.00	Novartis	+5.00
3650.00	3645.00	Roche	0.00	0.0	15	3650.00	3645.00	Roche	+5.00
3700.00	3695.00	Novo	0.00	0.0	15	3700.00	3695.00	Novo	+5.00
3750.00	3745.00	Boehringer	0.00	0.0	15	3750.00	3745.00	Boehringer	+5.00
3800.00	3795.00	Merck	0.00	0.0	15	3800.00	3795.00	Merck	+5.00
3850.00	3845.00	Abbott	0.00	0.0	15	3850.00	3845.00	Abbott	+5.00
3900.00	3895.00	Amgen	0.00	0.0	15	3900.00	3895.00	Amgen	+5.00
3950.00	3945.00	Genentech	0.00	0.0	15	3950.00	3945.00	Genentech	+5.00
4000.00	3995.00	Novartis	0.00	0.0	15	4000.00	3995.00	Novartis	+5.00
4050.00	4045.00	Roche	0.00	0.0	15	4050.00	4045.00	Roche	+5.00
4100.00	4095.00	Novo	0.00	0.0	15	4100.00	4095.00	Novo	+5.00
4150.00	4145.00	Boehringer	0.00	0.0	15	4150.00	4145.00	Boehringer	+5.00
4200.00	4195.00	Merck	0.00	0.0	15	4200.00	4195.00	Merck	+5.00
4250.00	4245.00	Abbott	0.00	0.0	15	4250.00	4245.00	Abbott	+5.00
4300.00	4295.00	Amgen	0.00	0.0	15	4300.00	4295.00	Amgen	+5.00
4350.00	4345.00	Genentech	0.00	0.0	15	4350.00	4345.00	Genentech	+5.00
4400.00	4395.00	Novartis	0.00	0.0	15	4400.00	4395.00	Novartis	+5.00
4450.00	4445.00	Roche	0.00	0.0	15	4450.00	4445.00	Roche	+5.00
4500.00	4495.00	Novo	0.00	0.0	15	4500.00	4495.00	Novo	+5.00
4550.00	4545.00	Boehringer	0.00	0.0	15	4550.00	4545.00	Boehringer	+5.00
4600.00	4595.00	Merck	0.00	0.0	15	4600.00	4595.00	Merck	+5.00
4650.00	4645.00	Abbott	0.00	0.0	15	4650.00	4645.00	Abbott	+5.00
4700.00	4695.00	Amgen	0.00	0.0	15	4700.00	4695.00	Amgen	+5.00
4750.00	4745.00	Genentech	0.00	0.0	15	4750.00	4745.00	Genentech	+5.00
4800.00	4795.00	Novartis	0.00	0.0	15	4800.00	4795.00	Novartis	+5.00
4850.00	4845.00	Roche	0.00	0.0	15	4850.00	4845.00	Roche	+5.00
4900.00	4895.00	Novo	0.00	0.0	15	4900.00	4895.00	Novo	+5.00
4950.00	4945.00	Boehringer	0.00	0.0	15	4950.00	4945.00	Boehringer	+5.00
5000.00	4995.00	Merck	0.00	0.0	15	5000.00	4995.00	Merck	+5.00

Symbol	Price	Change	Volume
IBM	100.00	+5.00	1000000
Microsoft	120.00	+5.00	800000
Apple	150.00	+5.00	600000
Oracle	200.00	+5.00	400000
Sun	250.00	+5.00	300000
Lucent	300.00	+5.00	200000
Motorola	350.00	+5.00	150000
Intel	400.00	+5.00	100000
AMD	450.00	+5.00	80000
Advanced	500.00	+5.00	60000
PerkinElmer	550.00	+5.00	40000
3M	600.00	+5.00	30000
Eastman	650.00	+5.00	20000
Amgen	700.00	+5.00	15000
Genentech	750.00	+5.00	10000
Novartis	800.00	+5.00	8000
Roche	850.00	+5.00	6000
Novo	900.00	+5.00	4000
Boehringer	950.00	+5.00	3000
Merck	1000.00	+5.00	2000
Abbott	1050.00	+5.00	1500
Amgen	1100.00	+5.00	1000
Genentech	1150.00	+5.00	800
Novartis	1200.00	+5.00	600
Roche	1250.00	+5.00	400
Novo	1300.00	+5.00	300
Boehringer	1350.00	+5.00	200
Merck	1400.00	+5.00	150
Abbott	1450.00	+5.00	100
Amgen	1500.00	+5.00	80
Genentech	1550.00	+5.00	60
Novartis	1600.00	+5.00	40
Roche	1650.00	+5.00	30
Novo	1700.00	+5.00	20
Boehringer	1750.00	+5.00	15
Merck	1800.00	+5.00	10
Abbott	1850.00	+5.00	8
Amgen	1900.00	+5.00	6
Genentech	1950.00	+5.00	4
Novartis	2000.00	+5.00	3
Roche	2050.00	+5.00	2
Novo	2100.00	+5.00	1
Boehringer	2150.00	+5.00	1
Merck	2200.00	+5.00	1
Abbott	2250.00	+5.00	1
Amgen	2300.00	+5.00	1
Genentech	235		

الجمعة 10 اوت 1993

France Hazards Small Rate Cut, Franc Holds Up

By Erik Ipsen
International Herald Tribune
 LONDON — One week after the emergency loosening of the European currency grid, France on Monday began to seem to be hesitating to try out its new freedom to reduce interest rates.

Permitted now to see the franc move down as much as 15 percent from its central rate in Europe's exchange-rate mechanism, compared with 2.25 percent before the loosening, the French central bank shaved a quarter of a percentage point off its overnight borrowing rate, lowering it to 9.75 percent.

"I think they were testing the waters," said Brian Hilliard, an economist with Société Générale Strauss Turbulla in London.

By not losing too much ground against the Deutsche mark in quiet trading Monday — the mark rose just 0.3 percent in London to 3,505 francs from 3,490 on Friday — the franc has shown a degree of durability that analysts say may allow French officials to cut rates still further.

But the scenario of drastic cuts in interest rates sweeping Europe, which seemed to be the consensus forecast a week ago, now looks increasingly unlikely.

In fact, a gap has opened in recent days between the forecasts most commonly heard in London and those on the Continent. The consensus view of Anglo-Saxon economists and currency experts was that France, Denmark and Belgium would be quick to seize the advantage of the wider fluctuation allowed to their currencies and let interest rates drop to revive their economies.

"It is silly to go through all the pain and the loss of a great deal of credibility and then not to take advantage of the situation by lowering interest rates," said Steve Barrow, a currency economist at Chemical Bank in London.

But the European currency grid that was so widely pronounced dead, or nearly so, in London and New York seems, for the moment at least, very much alive in Europe.

"The idea that we went to wider bands in order to cut interest rates is just something put out by the English and Americans," insisted a French economist. "We went to wider bands to keep the exchange-rate mechanism alive in the face of intense currency speculation."

The view on the Continent is that the dream of European unity is far from dead, and more importantly, is worth continued nurturing.

See FRANC, Page 10

U.K. Stocks Set Record, Milan Rises

Compiled by Our Staff From Dispatches
 LONDON — Britain's stock market ended at another record high Monday on continued hope of interest-rate reductions across Europe as well as stronger corporate earnings.

At the close, the Financial Times-Stock Exchange 100-share index was 16,600 points higher at 2,986.40, eclipsing the previous record set Friday, Turnover was moderate, with 523.9 million shares traded.

Italian stocks, meanwhile, closed at their high for the year, with the MIB index rising 19 points to 1,300.

Italian SPA shares were actively bought because of government plans to merge the company with the telephone operating company SIP, brokers said. Fiat and Olivetti were also strong.

In Paris, the CAC-40 index of French stocks fell 11.51 points to close at 2,138.52. Dealers said the market was seeing light profit-taking after last week's move to historic highs. But they said foreign investors appeared still to be bullish on the French market, and several sectors saw gains.

(Reuters, Knight-Ridder)

López Says VW Staff Had Data

Compiled by Our Staff From Dispatches
 DARMSTADT, Germany — José Ignacio López de Arriortúa, the Volkswagen purchasing manager, has told German prosecutors that some General Motors Corp. documents might have been in possession of former GM employees when they joined VW, the prosecutors' office said on Monday.

"We haven't fully evaluated his statements yet," said Georg Nauth, spokesman for the prosecutors' office in Darmstadt. "They were only delivered to our office late Friday night, long after office hours. But they do indeed concede that some GM/Opel documents might have been in the possession of some former GM employees after they left the company."

Mr. Nauth declined to give further details. He could not say whether Mr. López had admitted that he himself had been in possession of some GM papers. "I didn't say López himself admitted having had such papers," Mr. Nauth noted. "Neither did I say he admitted any of the documents in question might have been confidential."

However, the DPA news agency said minutes from a VW board meeting Friday quoted Mr. López as saying that "on his orders in the week starting March 22, cartons he took with

him were inspected and documents which may have been linked to GM/Opel may have contained sensitive information were destroyed."

And VW said that the destroyed documents "were, however, put together and sent by employees who even today are still working at Opel." A VW spokesman, Lutz Schilling, declined to give any more details.

Meanwhile, the German Chancellor entered the fray for the first time Monday with a call for the rival carmakers to settle their affairs in private. "If VW and General Motors talk to each other, as I believe, in a highly distasteful way, that is their business," Helmut Kohl said on German television. "But they should give fewer magazine interviews and do more to take care of business. Then things will improve."

For months, Volkswagen's management related allegations that any GM documents had ever come into their hands. But then, late Friday, VW admitted that former GM employees had shredded documents that may have belonged to GM.

Despite the VW admissions, analysts say that the German carmaker may emerge the long-term winner from the current battle.

Volkswagen said it had slashed losses to 355 million Deutsche marks (\$210 million) in the second quarter of this year, down from 1.25 billion DM in the first quarter, while Chairman Ferdinand Piëch predicted that the company would be back in profit in the third quarter.

Volkswagen's improving balance sheet — and here analysts point out that Mr. López was brought in as a highly successful cost-cutter — does not seem to have been affected by the blizzard of public accusations and counter-accusations.

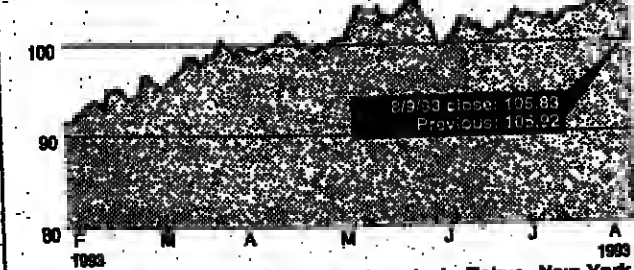
And no matter what their fate, the missing documents, which focus on Opel's future plans in the cutthroat small car market, have now entered into the public domain. And that is not a good thing in the highly secretive world of car design.

"There are only two possibilities," said Volkmar Erbach, auto-design engineer at the Center for Transport Technology near Munich. "Either the documents were as important as GM claims, and then GM/Opel must be the long-term loser, no matter who wins the legal battle. Or the documents weren't as important as GM/Opel claims, in which case they haven't really got a case."

(Bloomberg, Reuters, UPI)

THE TRIB INDEX: 105.83

International Herald Tribune World Stock Index of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific			Europe			N. America																																															
Approx. weighting: 25%			Approx. weighting: 40%			Approx. weighting: 35%																																															
Close:	127.79	Prev.: 128.10	Close:	100.59	Prev.: 100.72	Close:	92.07	Prev.: 91.91																																													
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INTERNATIONAL STOCKS

Experts Wave Caution Flag In Rush to Europe Markets

By Kathryn Jones
New York Times Service

NEW YORK — Loosening of Europe's currency controls set the stage for rallies in some stock and bond markets, but analysts are advising Americans to make long-term decisions instead of short-term bets on Europe. A strengthening dollar could offset any gains, and foreign markets remain unpredictable.

The smart money went to Europe earlier this year, said Justin Scott, portfolio manager of the Putnam Europe Growth Fund. European stocks had an explosive first quarter and another spurt recently. Still, Mr. Scott sees room for further gains.

U.S. investors "love the grass on the other side of the fence," said Richard Schmidt, a money manager with Stellar Management Inc. He prefers domestic stocks, including multinationals like Motorola, Coca-Cola and AT&T, which could benefit from a recovery in Europe.

[The August poll of fund managers carried out by Gallup for Smith Barney found that the crisis in Europe unleashed a surge of buying in British and European stock markets as expectations of lower interest rates increased, Bloomberg Business News reported. Fund managers now expect the German discount rate to be at 5.1 percent in 12 months, down from 6.75 percent.]

Jack Brill, an independent financial planner in San Diego, advises investors eager to get in on the action in Europe to put their money in international stock funds, which provide some exposure to Europe with less risk.

The choice between stocks and bonds comes down to recent performance, said Kevin McCarry, a portfolio manager at Fidelity Investments who works with European institutional money. Bond prices in Europe have been rising for two years, while equity markets have been going up for six to nine months, indicating stocks are poised to do better, he concluded.

The biggest rallies since last fall have been in stock and bond markets in Britain and Italy, which pulled out of the exchange-rate mechanism last year. Most funds have the largest chunk of their assets in Britain, followed by France, Switzerland and Germany.

Some fund managers predict assets will eventually shift to countries that could benefit most from lower rates. While noting that his Putnam fund is not making big changes, Mr. Scott said France and smaller markets like Ireland, Denmark, Portugal, the Netherlands and Switzerland were becoming attractive.

Fund managers say the substantial increases in the dollar this year also bode well for American investors.

BA: Will a Minority-Stake Empire Jell?

International Herald Tribune
 LONDON — You are flying from London to Pittsburgh. The plane, the crew and even the gate wear the navy blue and scarlet livery of British Airways, yet the accents of your pilot and crew and even their style seem more Lincoln, Nebraska, than London.

In fact, both the plane and the crew are on lease to BA from its partner USAir. Welcome to the pioneering and oftentimes culturally confusing world of global airlines BA style.

Having splashed out \$619 million (\$929 million) in the past year buying everything from minority stakes in USAir and Qantas to regional carriers in Russia, Germany, France and Britain, BA's chairman Sir Colin Marshall now faces the daunting task of making sense of it all, perhaps as early as Tuesday, when BA will announce its half-year results.

"It is a bold experiment in which they are trading on entirely new ground," said Paolo Pezzini, an airline consultant with SRI International. He likens it to the titanic efforts decades ago to set up such peculiarly multinational concerns as Royal Dutch/Shell and Unilever.

For Sir Colin, the mandate is to wrench from his newly acquired welter of global alliances that elusive concept he calls synergy. To do that he must stitch BA's fledgling global alliance close enough together not simply to share costs of such things as new booking systems, but to actually share planes, crews and concavely even an identity.

Making the task harder is that both Qantas and USAir are large, established airlines with their own culture, tradition, style and service. While BA is by far the heavyweight, hyper-efficient anchor of its global alliance, its ability to influence its partners is circumscribed.

At the end of the day, BA's roughly 25 percent stake in both Qantas and USAir legally entitles it to do little more than make polite suggestions at board meetings.

Nonetheless Sir Colin is absolutely determined to make of his minority stakes a single global player. While he dismisses as "silly indeed" the notion that BA, Qantas and USAir would ever abandon their well-known names, he does envision a time when "we can link another word with the established brand names, and over time we can move the liveries closer together."

Just as General Motors sells Opels, Vauxhalls, Buicks and more, Sir Colin sees his global group moving in a similar direction. He even concedes the ultimate corporate apostasy: he is not at all sure that he will ultimately choose British Airways as the umbrella name.

It is all a very dangerous game. By using the idle planes and crews of his partners, Sir Colin

can do more of what has already made his airline the Western world's most profitable — save on costs. In the last two years, BA has cut its costs by a whopping \$415 million and it aims to add another \$150 million to that toll this year. Seen in light of predictions that BA will make \$270 million in this year in pretax profits, those savings have spelled the difference between profit and loss.

The danger, though, is that by linking itself ever closer to less-efficient partners, BA runs the risk of not only diluting its own gains but crucially of confusing its very identity in the minds of the consumer. Even Sir Colin concedes that the use of partnership equipment and crews "certainly does raise the whole issue of branding."

Sir Colin is keenly aware of the risks. He first made a name for himself as chief executive of Avis Inc., the car-rental company, and was reported to be a strong contender earlier this year to succeed James Robinson 3d as the head of the owner of one of the world's most meticulously polished brand names, American Express.

"You don't achieve change in this industry overnight," he said. "It is still early days."

"The only way to open to them to build a global airline and to access better growth is to invest in other markets where the growth is higher than in their home market," said James Halstead, an

See BA, Page 12

U.S. Stocks at a High As Bond Yields Fall

Compiled by Our Staff From Dispatches
 NEW YORK — Yields on 30-year U.S. Treasury bonds were pushed to record lows and stocks were at all-time highs Monday, rallying after the passage of President Bill Clinton's deficit-reduction plan on Friday night.

The budget plan and Mr. Clinton's efforts to reform the American health-care system would lead to tax increases, limit economic growth and depress inflation, traders and analysts said. Such an environment makes long-term bonds a favored investment, and because Mr. Clinton had already decided to limit the government's borrowing through 30-year issues, that maturity also has scarcity value.

The 30-year Treasury issue closed at 108 21/32 on Monday, up 21/32 on the day. At that price, the yield was 6.46 percent, the lowest since the government began regularly selling 30-year issues in 1977 and down from 6.53 percent on Friday.

Euphoria spilled over into the stock market, where the Dow Jones industrial average closed 15.65 points higher, at 3,576.08, well above its record close of 3,567.70 set on July 26. Although the prospect for weak

economic growth is bad news for corporate profits, investors are being drawn to stocks as bond yields decline. Additionally, the low-interest-rate environment means corporations can reduce their borrowing costs.

Many professionals said the bond rally that began with Mr. Clinton's election in November may have run its course and that the Monday advance was exaggerated by technical factors.

At the bond market's current level, "it gets a lot more difficult to sustain a lot more interest rates," said John Wilbourn, a trader at Morgan Keegan & Co. "No one wants to be the last one holding the bag. That takes away those who would make speculative plays."

Matthew Alexy, an economist at First Boston Corp., said short-covering was a factor in the rally. Some market participants set up short positions late last week in hope of making big profits if the deficit-reduction package failed to pass, he said, and many with short positions were forced to cover as the market headed higher.

The Treasury is to sell a record \$38.5 billion in securities at its quarterly refinancing auction.

See STOCKS, Page 10

Winners and Losers in New U.S. Tax Bill

By Floyd Norris
New York Times Service
 NEW YORK — The new U.S. tax measure has good news for some real estate investors, but many other investors will find bad news in it. The value of some municipal and corporate bonds may go down, but not nearly as much as if the bill had been passed a few years ago. And investing in bankrupt companies will become even more hazardous than it was before.

The most important real estate change affects investors actively involved in managing a property. They will be permitted to deduct losses from the property against ordinary income. Losses from other real estate investments, like limited partnerships, will remain deductible only from income earned on similar investments, known as passive income.

Other real estate changes make it easier for pension funds to buy into real estate investment trusts, without jeopardizing the trusts' special tax benefits. These trusts lose tax benefits if they are more than half-owned by five or fewer investors. The old law treated a pension fund as one investor; the new measure provides that a pension fund's investments will be attributed to all its beneficiaries.

It will also be easier for pension funds to buy leveraged real estate and to form what are effectively joint ventures with financial institutions to develop foreclosed property.

While President Bill Clinton emphasized that

workers in families with incomes of less than \$180,000 a year were unlikely to pay higher taxes, that is not true for many investors. A variety of measures could wind up costing them money, even if they are not making large gains.

One such change concerns the way that interest on margin accounts at brokerage houses is deducted from taxable income. The change will have the effect of making the deduction less valuable for those whose investment income consists largely of long-term capital gains. Under the new law, to use the deduction, investors will in effect have to agree to have some or all of their capital gains taxed at the higher rates that apply to ordinary income like salaries.

Those with large capital losses will also find reason to moan about the new tax measure. Such losses can generally be used to offset a maximum of \$3,000 a year of ordinary income, but can offset capital gains on a dollar-for-dollar basis with no ceiling. That is not changed.

What is changed is that the new law bars a number of strategies that have enabled investors to realize short-term capital gains with little risk. Those strategies, some of which involve complicated options transactions on borrowed money converted interest income on borrowed money into capital gains, said Robert Willens of Lehman Brothers. Not any more.

Provisions of the tax bill deal with so-called "market discount" bonds. These sell below par

value because interest rates have risen, or perhaps because the credit quality of the issuer has declined since the bond came out. There are relatively few such bonds right now, but there are likely to be more around if interest rates begin to rise.

The new law worsens the tax treatment of such bonds, something that could depress their value. But because interest rates are at their lowest level in years, few bonds will be immediately affected.

Under current law, those who buy a market-discount municipal bond, or any discounted corporate or Treasury bond issued before July 18, 1984, have an advantage: their profits on sale or redemption are taxed at the capital gains rate, which is typically lower than rates on ordinary income.

The new measure changes that. With bonds bought after April 30, that part of a gain attributable to amortizing a market discount will be taxed as ordinary income. This means that buyers of municipal bonds or multi-bond municipal funds may find themselves with some ordinary taxable income after sales.

Many bankrupt companies will lose what has been their most valuable asset — the tax-loss carry-forward that shelters future income. Beginning in 1995, when a lender to a bankrupt company is given stock to replace bonds or other debt, the value of the canceled debt will be taxable income for the bankrupt company.

CURRENCY & INTEREST RATES

Aug. 9									
Cross Rates									
Australian	1.925	2.82	D.M.	1.63	1.915	S.F.	1.36	1.27	1.25
Brussels			£	1.66	1.91	S.P.	1.36	1.27	1.25
Frankfurt	1.875	2.84	HK\$	7.75	7.85	Yen	160.00	160.00	160.00
London (d)	1.875	2.84	Yen	160.00	160.00	Yen	160.00	160.00	160.00
Mexico	16.00	28.00	Yen	160.00	160.00	Yen	160.00	160.00	160.00
Milano	181.00	242.00	Yen	160.00	160.00	Yen	160.00	160.00	160.00
New York (d)	1.875	2.84	Yen	160.00	160.00	Yen	160.00	160.00	160.00
Paris	1.875	2.84	Yen	160.00	160.00	Yen	160.00	160.00	160.00
Tokyo	160.00	160.00	Yen	160.00	160.00	Yen	160.00	160.00	160.00
Zurich	1.875	2.84	Yen	160.00	160.00	Yen	160.00	160.00	160.00
1 BCU	1.200	1.750	Yen	160.00	160.00	Yen	160.00	160.00	160.00
1 SDR	1.200	1.750	Yen	160.00	160.00	Yen	160.00	160.00	160.00
Other Dollar Values									
Currency	Par \$	Value	Currency	Par \$	Value	Currency	Par \$	Value	Currency
Argentin peso	0.0001	1.0000	Colombian dollar	1.0000	1.0000	Costa Rican col.	1.0000	1.0000	Indonesian Rp.
Aust. \$	1.4950	1.4950	Guatemalan quetzal	1.0000	1.0000	Denmark kr.	1.0000	1.0000	Japanese Yen
Brazil cru.	200.00	200.00	Hong Kong \$	1.0000	1.0000	Finland mark	1.0000	1.0000	South African Rand
Canadian yen	0.7468	0.7468	Indian Rupee	1.0000	1.0000	France FF	1.0000	1.0000	Sri Lanka Rupee
Chinese Yuan	8.2750	8.2750	Italian Lira	1.0000	1.0000	Germany DM	1.0000	1.0000	Taiwan Dollar
Danish krone	0.1366	0.1366	Japanese Yen	1.0000	1.0000	Italy Lira	1.0000	1.0000	Thailand Baht
French franc	6.5596	6.5596	Korean Won	1.0000	1.0000	Netherlands G.	1.0000	1.0000	Philippine P.
German DM	1.0000	1.0000	Malay Ringgit	1.0000	1.0000	Norway Kr.	1.0000	1.0000	Singapore D.
HK\$	7.7500	7.7500	Malay Ringgit	1.0000	1.0000	Spain Ptas.	1.0000	1.0000	Swiss Franc
Indonesian Rp.	1.0000	1.0000	Malay Ringgit	1.0000	1.0000	Sweden Kron.	1.0000	1.0000	Yen
Japanese Yen	160.0000	160.0000	Malay Ringgit	1.0000	1.0000	Switzerland S.	1.0000	1.0000	Yen
Korean Won	1.0000	1.0000	Malay Ringgit	1.0000	1.0000	Taiwan Dollar	1.0000	1.0000	Yen
Malay Ringgit	1.0000	1.0000	Malay Ringgit	1.0000	1.0000	Thailand Baht	1.0000	1.0000	Yen
Philippine P.	1.0000	1.0000	Malay Ringgit	1.0000	1.0000	Philippine P.	1.0000	1.0000	Yen
Singapore D.	1.0000	1.0000	Malay Ringgit	1.0000	1.0000	Singapore D.	1.0000	1.0000	Yen
Swiss Franc	1.0000	1.0000	Malay Ringgit	1.0000	1.0000	Swiss Franc	1.0000	1.0000	Yen
Yen	160.0000	160.0000	Malay Ringgit	1.0000	1.0000	Yen	160.0000	160.0000	Yen

For investment information, read

THE REPORT every Saturday in the IHT.

MARKET DIARY

STOCKS: Prices at Record High

Continued from Page 9
nomic measures do little for economic growth, Mr. Solloway said. Although many analysts had expected the budget measures to pass, some of the uncertainty that sent the stock market down on Wednesday and Thursday...

N.Y. Stocks

February, as the government switches to semiannual sales from quarterly auctions. On the stock market, volume was high, with 232 million shares traded on the New York Stock Exchange...

Among smaller shares, the Nasdaq composite index was also trading in record territory. The strength in the stock market is feeding off increases in bond prices...

Gold-mining issues were strong, following the price of gold higher. On the Commodity Exchange, October gold was quoted \$6.80 higher, at \$383.30, at the close.

Bonds were rallying because of the real potential for deficit reduction and because the president's economic...

FRANC: Paris Tries a Rate Cut

Continued from Page 9
cent currency crisis," Mr. Holschuh said. He and many others in Europe now say that in spite of the nominal leeway afforded to France by the wider currency bands, it will be difficult for Paris to do anything other than what it did up until the spring...

The British experience of a successful dash for growth may seem irresistible in London, but it is not in Paris and other European capitals. "The British did not put in years of hard work that the French put in to build up their credibility in the markets," said J. Paul Horne, an economist with Smith Barney Shearson in Paris.

While Britain had little to lose but its recession, France's investment in low inflation, a stable currency and a united Europe is vast. Economists point out that it has sacrificed, among other things, hundreds of thousands of jobs in an effort to lay the nation on inflation and to lay the foundations for sound long-term growth in France and in Europe.

The dollar fell in thin European trading Monday, then recovered to stand unchanged against the mark in New York, Reuters reported.

The U.S. currency closed in New York at 1.6980 DM, up marginally from 1.6970 on Friday. It strengthened to 104.86 yen from 104.50 yen before the weekend and to 1.5035 Swiss francs from 1.5030 francs. Sterling weakened to \$1.4908 from \$1.4975.

After April and June, France lowered interest rates 10 times while German rates held firm. As a result, French rates actually sank below those of Germany, Europe's putative economic anchor. "I think that was one, two or three too many and became the basis of the...

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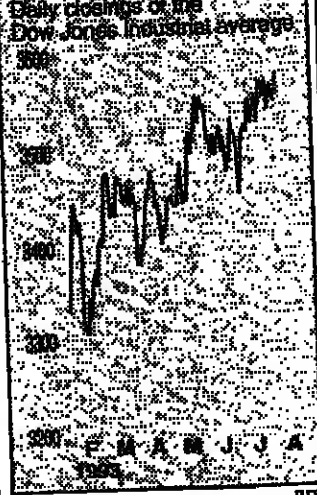
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The Dow



Daily closing of the Dow Jones Industrial Average.

Dow Jones Averages

Table with columns: Index, High, Low, Last, Change. Includes Industrial, Utility, and Composite indices.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Last, Change. Includes Industrial, Utility, and Composite indices.

NYSE Indexes

Table with columns: Index, High, Low, Last, Change. Includes Composite, Industrials, and Utilities.

NASDAQ Indexes

Table with columns: Index, High, Low, Last, Change. Includes Composite, Industrials, and Utilities.

AMEX Stock Index

Table with columns: Index, High, Low, Last, Change. Includes Composite, Industrials, and Utilities.

Dow Jones Bond Averages

Table with columns: Index, High, Low, Last, Change. Includes 30 Bonds, 10 Industrials, and 10 Utilities.

Market Sales

Table with columns: Index, High, Low, Last, Change. Includes NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table with columns: Buy, Sell, Short. Includes various stock symbols.

S&P 100 Index Options

Table with columns: Call, Put, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

NASDAQ Diary

Table with columns: Index, High, Low, Last, Change. Includes Composite, Industrials, and Utilities.

EUROPEAN FUTURES

Table with columns: Index, High, Low, Last, Change. Includes COCOA, WHEAT, and SOYBEANS.

Food

Table with columns: Index, High, Low, Last, Change. Includes COCOA, WHEAT, and SOYBEANS.

Metals

Table with columns: Index, High, Low, Last, Change. Includes ALUMINUM, COPPER, and ZINC.

Financial

Table with columns: Index, High, Low, Last, Change. Includes 3-MONTH STERLING, 3-MONTH EURO, and 3-MONTH JAPANESE.

Stock Indexes

Table with columns: Index, High, Low, Last, Change. Includes FTSE 100, DAX, and Nikkei.

Spot Commodities

Table with columns: Index, High, Low, Last, Change. Includes Aluminum, Copper, and Zinc.

To Our Readers

Dividend information was not available for this edition because of problems at the source.

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U.S. FUTURES

Table with columns: Index, High, Low, Last, Change. Includes WHEAT, SOYBEANS, and CORN.

Grains

Table with columns: Index, High, Low, Last, Change. Includes WHEAT, SOYBEANS, and CORN.

Metals

Table with columns: Index, High, Low, Last, Change. Includes SILVER, GOLD, and PLATINUM.

Financial

Table with columns: Index, High, Low, Last, Change. Includes 3-MONTH STERLING, 3-MONTH EURO, and 3-MONTH JAPANESE.

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Unisys Divides Itself into 3 New Units

BLUE BELL, Pennsylvania (Combined Dispatches) — Unisys Corp. announced Monday that it would divide its operations into three separate units and that Reto J. Braun, president and chief operating officer of the computer maker, had resigned.

Two of the new units will be responsible for marketing, with one aimed at government customers. The third is more product-oriented, in solely at government customers, and includes a new unit charge of manufacturing and development, and includes a new unit responsible for networks of small computers.

IITC Holds to Ruling on Steel Imports

WASHINGTON (Reuters) — The U.S. International Trade Commission rejected Monday a request by major American steelmakers to reverse a vote that found the 12 companies were not being injured by certain imports of foreign steel.

The ITC said the steelmakers did not present any compelling evidence to warrant the commission to reconsider its July 27 ruling.

Grace to Recall Dialysis Products

BOCA RATON, Florida (Bloomberg) — W.R. Grace plans to recall millions of kidney dialysis products because they might be contaminated with fever-causing chemical toxins, the U.S. Food and Drug Administration said Monday.

William O'Connell, an enforcement official with the FDA's Center for Devices, said the agency was investigating the company's National Medical Care unit for possible violations of federal law.

Delta Settles With Flight Dispatchers

ATLANTA (Bloomberg) — Delta Air Lines has negotiated a contract agreement with its flight dispatchers, ending six months of negotiations. The Professional Airline Flight Control Association, which represents 160 Delta flight dispatchers, agreed to accept a 5 percent pay cut and reduced benefits. The same cuts were imposed on Delta's roughly 65,000 nonunion employees last year.

Sara Lee Net Up 11.8% in 2d Quarter

CHICAGO (Reuters) — Sara Lee Corp. reported Monday that earnings in the second quarter had risen 11.8 percent to \$190 million, reflecting strong unit volume growth in various product categories, combined with contributions from acquisitions completed over the past 12 months. Sales advanced 13.2 percent to \$3.85 billion.

For the Record

Trade ministers from the United States, Mexico and Canada wrapped up negotiations on the North American Free Trade Agreement after failing to clinch a deal during 10 days of talks.

Rockwell International Corp. agreed to buy a facility from Western Digital Corp., for \$115 million, which will make silicon wafers. (UPI)

Charter Medical Corp. said it had agreed to sell 10 of its acute-care hospitals to Quorum Health Group Inc. for \$340 million. (AP)

Weekend Box Office

The Associated Press
LOS ANGELES — "The Fugitive," starring Harrison Ford, grossed \$23.4 million over the weekend. Following are the Top 10 money-makers, based on Friday ticket sales and estimated sales for Saturday and Sunday.

Table with columns: Rank, Title, Gross, Weeks in Release.

1. "The Fugitive" (Warner Brothers) \$23.4 million
2. "Rising Sun" (Columbia Pictures) \$22.5 million
3. "The Untouchables" (Warner Brothers) \$21.8 million
4. "The Untouchables" (Warner Brothers) \$21.8 million
5. "The Untouchables" (Warner Brothers) \$21.8 million
6. "The Untouchables" (Warner Brothers) \$21.8 million
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8. "The Untouchables" (Warner Brothers) \$21.8 million
9. "The Untouchables" (Warner Brothers) \$21.8 million
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News of Meeting Boosts Oil

LONDON — World oil prices rose Monday, spurred by higher gasoline prices and a surprise announcement that the OPEC president, Jean Ping, would join a key meeting in Vienna on Tuesday.

Mr. Ping, the oil minister of Gabon, will join the oil ministers of Libya and Qatar as well as the secretary general of the Organization of Petroleum Exporting Countries. Subroto of Indonesia, for the quota-compliance committee meeting to review July oil production figures.

September futures of the world benchmark crude, North Sea Brent, rose from just below \$16.30 a barrel. They rallied to \$16.63 at the close as gasoline prices rose on fears of a shortage due to U.S. refinery problems. U.S. futures for September light crude gained 25 cents to \$17.52.

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WORLD STOCK MARKETS

Table with columns: Market, Index, High, Low, Last, Change. Includes Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Tokyo, Sydney, Toronto.

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Table with columns: Market, Index, High, Low, Last, Change

Germany Sees Lower Tax Revenue

BONN — The German government expects the recession to depress total tax revenue by 46 billion Deutsche marks (\$26.8 billion) in 1994, according to the government savings proposal.

The changed economic situation leads to strong additional burdens on the public-sector budgets," said Finance Minister Theo Waigel's proposal, which the cabinet is expected to approve Wednesday.

The proposal also said that Germany's gross domestic product in 1993 would decline as much as 1 percent, compared with the government's earlier forecast of zero growth.

The government had predicted tax revenue would fall short by 12.5 billion DM because of the recession, but independent institutes forecast that the government would receive an additional 10 billion DM this year because of tax increases.

Mr. Waigel's bill proposes drastic spending cuts in social aid and unemployment pro-

grams in a bid to save 21 billion DM in 1994. The government wants to save 13 billion DM in federal social programs and cut 9 billion DM in the Federal Labor Office's budget in 1994. The following year, it plans to save 26 billion DM, while in 1997 it will seek to save 29 billion DM and in 1997 it wants to save 28 billion, the proposal said.

Economy Minister Günter Rexrodt is scheduled to release the government's latest forecast for German economic growth on Tuesday. But on Monday, he estimated that real growth in East German GDP would be around 5 percent this year, compared with previous estimates of 5 to 7 percent.

Speaking at the inauguration of a telecommunications-equipment factory in Berlin, Mr. Rexrodt also defended the government's methods for revamping the East German economy, saying that "there is no credible alternative" to the government's policy of modernization and privatization.

He said the closure of factories is "inevitable

for the birth of competitive economic structures where socialism has left industrial ruin." Separately, the RWI economic research institute said in its annual steel report that West German crude-steel production would fall 5.4 percent to 34.7 million metric tons this year and 0.58 percent in 1994 to 34.5 million tons. All-German crude steel production fell 5.9 percent in 1992 to 39.7 million tons and is expected to fall again this year. But it added that any forecast was subject to "grave changes" as a result of political or corporate decisions due to the crisis in the European steel industry.

In a related development, Bayer Hispania Industrial SA, the Spanish unit of the German chemicals giant Bayer AG, said it would close its chrome-derivatives company Productos Electroquímicos SA, or Pesa, in September. A total of 200 workers will be laid off, a company spokesman said. Pesa is 75 percent owned by Bayer Hispania Industrial. (Knight-Ridder, Reuters, AFX, Bloomberg)

Lufthansa's Choices Dwindle as Airlines Talk Cooperation

FRANKFURT — Lufthansa AG's proposal to cooperate with Austrian Airlines could help reduce the threat from a potential alliance of European carriers, analysts said, but it would probably do little for the German carrier's competitive position in the long run.

Lufthansa is the big loser in Europe when it comes to alliances, an airline-industry analyst said.

The carrier, which is majority-owned by the German government, has sought to preserve its identity as an independent national airline and has ruled out mergers.

Instead, it is seeking strategic agreements to enable it to survive in an industry that analysts predict will become dominated by a handful of large carriers.

The proposal that Lufthansa has made to Austrian Air could improve Lufthansa's efficiency if the Austrian carrier were to serve as a feeder into the Lufthansa system, industry analysts said.

And a Lufthansa-Austrian Air accord could reduce the impact of the proposed Alcazar alliance of European airlines, they said, but Alcazar still would be a potentially serious competitor to Lufthansa.

Alcazar envisages setting up a common management company as a first step toward forming a single airline by 1997. Austrian Air has been taking part in discussions on that alliance as well. But under a proposed cooperation agreement, it would have only a 10 percent stake in a joint operating company.

while the other partners — Swissair, Scandinavian Airlines System and KLM Royal Dutch Airlines — each would have 30 percent.

According to a weekend report in an Austrian newspaper, the Lufthansa proposal calls for Austrian to take over most of the traffic between Germany and Austria.

A Lufthansa spokesman said the plan was aimed at more efficiently using its routes and capacities, but he declined to provide details.

Separately, Austrian Air said Monday that it was also considering some form of cooperation with Air France. Its spokesman would not elaborate.

In addition to the Alcazar threat, Lufthansa still has not made any apparent progress toward curing perhaps its greatest problem — the lack of an American partner.

"The most important step is to form a cooperation with one of the big three U.S. carriers," said Michael Broder, an airline analyst at Bank Julius Bär.

The North Atlantic route accounted for as much as 40 percent of Lufthansa's revenue. But Lufthansa has been finding it all but impossible to make a profit on that route because of fierce price competition and the lack of an American partner to feed Lufthansa's international flights.

North Atlantic revenue fell to 16 percent of the total in 1992 from 22 percent in 1989, Lufthansa executives have said.

Exchange	Index	Monday Close	Friday Close	% Change
Frankfurt DAX		1,672.00	1,669.38	+0.16
London FTSE 100 Index		2,866.40	2,869.00	+0.09
Paris CAC 40		2,149.83	2,149.83	0.00
Amsterdam AEX		1,250.00	1,250.00	0.00
Brussels Stock Index		6,892.83	6,892.83	0.00
Frankfurt FAZ		724.33	726.06	+0.24
Helsinki HEX		1,589.69	1,582.33	+2.76
London Financial Times 90		2,574.30	2,580.80	+0.57
London FTSE 100		2,866.40	2,869.00	+0.09
Madrid General Index		270.08	270.79	+0.26
Milan IRI		1,300.00	1,281.00	+1.48
Paris CAC 40		2,149.83	2,149.83	0.00
Stockholm Affarsvechdan		1,508.80	1,499.01	+0.65
Vienna Stock Index		429.54	424.20	+1.26
Zurich SPS		835.06	836.00	-0.12

Russians Decry EC Curbs on Aluminum

MOSCOW — The Russian aluminum producers group warned the European Community on Monday that an EC plan to limit imports of the metal from the former Soviet Union would probably be ineffective.

A spokesman for Alumin, the producers group, said he had not yet been informed of the EC decision, announced Saturday, to limit aluminum imports from the Commonwealth of Independent States to 60,000 metric tons from now until the end of November. The EC Commission said the temporary limits, imposed following EC in-

dustry complaints about high imports depressing prices, were an emergency measure.

But in a statement issued last week, Alumin's foreign economic relations director, Sergei Zaremko, said the limits helped multinational companies, not EC member-states.

"Introduction of sanctions on aluminum imports from the CIS will hardly give EC countries the desired result," his statement said. "They will damage EC countries not only politically but financially, since raw materials, food and industrial goods are bought there and paid for with aluminum worth \$250

to \$300 million a year." He added that "the vacuum formed on the European market will be filled by aluminum from other regions of the world."

In Paris, meanwhile, one of the EC's largest aluminum producers said that the temporary quotas might not trigger a price surge but would improve prospects for the industry. "It's not necessarily going to have an immediate impact on prices on the London Metal Exchange," a Pechiney spokesman said, "but for us, it raises hope we can solve the problem," a reference to Russian imports, "within the next few months."

In the United States, meanwhile, the Aluminum Association, an industry group, called the EC move a "shortsighted action" that "would further compound the disruption in the global aluminum market."

"What is needed," said the association in a letter to the U.S. trade representative, Mickey Kantor, "is not protectionism, but the establishment by government of rules of transition which will enable CIS aluminum producers to adapt to the laws of economics, the established world trading system and to implement modern environmental health and safety improvements."

HEWLETT: Europeans Can Compete With Asians, Analysts Argue, as Soon as They Learn to Innovate

Continued from Page 1

International Institute for Management Development in Lausanne and a key participant in the business school's Manufacturing 2000 project.

"Sure, there are some manufacturing processes where low wages help, but there are so many other more important factors that determine today which major businesses will succeed," Mr. Volzgang said. "Low-wage competition should be the least of our worries."

For Hewlett-Packard, Barcelona was the best solution to a complex puzzle. Pressed to consolidate its worldwide printer operations at the most efficient sites, Barcelona won out as one of two locations because it was best placed to supply the vital European market and was capable of doing so at a reasonable cost. The decision will add 200 jobs immediately to Barcelona's existing factory, with the potential for many more once further production facilities are built.

There is little doubt that overall wages and benefits in some European countries, such as Germany and Sweden, have soared to levels that can no longer be

supported by the underlying productivity and competitiveness of their industries. They undoubtedly will be squeezed in the relentless pressure of rising unemployment and global economic restructuring. Competition rates in the German machinery sector, for example, averaged nearly \$21 an hour in 1991, compared with \$9.08 in Spain, \$4.55 in South Korea and \$2.60 in Chile.

Yet Europe's most valuable companies, rather than fighting the trend toward paying higher wages for higher skills, have proven especially ingenious in adapting to it.

Konrad Seitz, Germany's ambassador to Italy and a long-time advocate of policies to encourage a move away from what he calls the 19th century industries such as steel-making and textiles to 21st century sectors like telecommunications and genetic engineering, argues that aging, high-cost Europe cannot win by trying to play the same game as East Asian developing countries, with their young and burgeoning, yet increasingly well-educated, labor forces.

"It is obvious that we will not be able to solve the

problems of competition from the newly industrializing countries by cutting down on wages," he said recently. "We have to shift the manufacture of simple products and simple activities to low-wage countries, thus enabling us to keep at least those activities which have a high-end product — design, development, construction and production of complicated systems."

Actually, that will not be so simple, given the fast pace at which some East Asian and Latin American nations are already moving up the industrial ladder into such sectors as semiconductor manufacturing and software programming. But, along with efforts to create more flexible labor markets that block many younger, less-educated people from productively entering the workforce, such an approach holds out the only realistic hope for sustaining European prosperity.

"It is high-productivity jobs, not just any jobs, that translate into high national income," said Michael Porter, the high-profile Harvard Business School professor who wrote "The Competitive Advantage of Nations." He added, "The pursuit of competitiveness defined as a trade surplus, a cheap currency or low

unit labor costs contains many traps and pitfalls."

The example of Hewlett-Packard, which receives 40 percent from European revenues, demonstrates both some of the pitfalls awaiting companies heavily committed to Europe and some of the best ways of avoiding them. While Hewlett-Packard's worldwide employment has been shrinking slightly, it has actually increased jobs in Europe by a modest amount in recent years to 20,000 workers in more than 20 countries. But that kind of recent success wasn't easy.

Consider the tortuous route the company followed before finally finding a foothold in the fiercely competitive personal computer industry. Palo Alto-based Hewlett-Packard, founded in 1939 and long established in what was to become Silicon Valley, failed in its first two attempts to break into the personal computer market. In the early 1980s, driven by engineering values rather than marketing ones, it delayed introducing its own already-built personal computer until after IBM launched its own product, which quickly emerged as the industry standard.

Very briefly:

- The French government said it had appointed Lazard Frères & Co. to advise it on its planned sale of Banque Nationale de Paris and named Banque Indosuez, the merchant-banking arm of Compagnie de Suez SA, to advise it on the sale of Rhodie-Poitevine SA.
- The European Bank for Reconstruction and Development said it would announce the name of its new president on Aug. 19.
- Petrofina SA, the Belgian oil company, said first-half net income had fallen 8 percent, to 3.83 billion Belgian francs (\$105.5 million), and cited weak economies in Europe and the United States.
- The Woolwich Building Society said it posted a profit of £88 million (\$131.5 million) in the first half, more than double the £36 million it earned a year ago. Mortgage lending rose to £1.6 billion from £1.2 billion.
- France does not have plans to issue foreign-currency bonds to help replenish its foreign reserves, a Treasury official said. But he did not rule out an issue in European currency units.
- Greece's phone company was struck by workers who began a week-long action to protest a government bill to sell 49 percent of the company.
- Ferruzzi Finanziaria SpA's creditor banks will not convert loans to the group into equity, a Ferruzzi official said.
- Assurances Générales de France said revenue in the first half rose 7.1 percent, to 32.35 billion francs (\$5.43 billion), as life-insurance revenue in France rose 13.1 percent.

Investor AB Shares Sag 4.8%

STOCKHOLM — Shares in Investor AB, a leading Swedish investment company, fell 4.8 percent Monday on the Stockholm stock exchange after the crash of a military aircraft built by one of its units.

The jet, built by Saab Military Aircraft, crashed Sunday after the pilot lost control and ejected at an air show in central Stockholm.

Investor shares fell 7 kronor to 139 kronor (\$17.33) in heavy volume on fears that the accident, the second to hit the Jas 39 Gripen model, could threaten the future of the aircraft, one of the company's major projects.

Officials excluded human error as the cause of Sunday's accident. Defense Minister Anders Björck said Monday that other Jas 39 Gripen jets would be grounded until the accident's cause was determined.

NASDAQ

Monday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	52 Wk High	52 Wk Low	Volume
120	115	IBM	3.00	2.5	12	120	115	1000000
100	95	Microsoft	0.00	0.0	15	100	95	500000
80	75	Oracle	0.00	0.0	18	80	75	200000
60	55	Sun	0.00	0.0	20	60	55	150000
40	35	HP	0.00	0.0	25	40	35	100000
20	15	Intel	0.00	0.0	30	20	15	80000
10	5	AMD	0.00	0.0	35	10	5	50000
5	2	Motorola	0.00	0.0	40	5	2	30000
3	1	Texas Instruments	0.00	0.0	45	3	1	20000
2	1	Advanced Micro Devices	0.00	0.0	50	2	1	15000
1	0.5	Linear Technology	0.00	0.0	60	1	0.5	10000
0.5	0.2	Maxim Integrated	0.00	0.0	70	0.5	0.2	5000
0.2	0.1	National Semiconductor	0.00	0.0	80	0.2	0.1	3000
0.1	0.05	Rockwell International	0.00	0.0	90	0.1	0.05	2000
0.05	0.02	Western Digital	0.00	0.0	100	0.05	0.02	1500
0.02	0.01	PerkinElmer	0.00	0.0	110	0.02	0.01	1000
0.01	0.005	Applied Optoelectronics	0.00	0.0	120	0.01	0.005	500
0.005	0.002	Avago Technologies	0.00	0.0	130	0.005	0.002	300
0.002	0.001	Avnet	0.00	0.0	140	0.002	0.001	200
0.001	0.0005	Avnet Inc	0.00	0.0	150	0.001	0.0005	150
0.0005	0.0002	Avnet Inc	0.00	0.0	160	0.0005	0.0002	100
0.0002	0.0001	Avnet Inc	0.00	0.0	170	0.0002	0.0001	50
0.0001	0.00005	Avnet Inc	0.00	0.0	180	0.0001	0.00005	30
0.00005	0.00002	Avnet Inc	0.00	0.0	190	0.00005	0.00002	20
0.00002	0.00001	Avnet Inc	0.00	0.0	200	0.00002	0.00001	15
0.00001	0.000005	Avnet Inc	0.00	0.0	210	0.00001	0.000005	10
0.000005	0.000002	Avnet Inc	0.00	0.0	220	0.000005	0.000002	5
0.000002	0.000001	Avnet Inc	0.00	0.0	230	0.000002	0.000001	3
0.000001	0.0000005	Avnet Inc	0.00	0.0	240	0.000001	0.0000005	2
0.0000005	0.0000002	Avnet Inc	0.00	0.0	250	0.0000005	0.0000002	1
0.0000002	0.0000001	Avnet Inc	0.00	0.0	260	0.0000002	0.0000001	0.5
0.0000001	0.00000005	Avnet Inc	0.00	0.0	270	0.0000001	0.00000005	0.2
0.00000005	0.00000002	Avnet Inc	0.00	0.0	280	0.00000005	0.00000002	0.1
0.00000002	0.00000001	Avnet Inc	0.00	0.0	290	0.00000002	0.00000001	0.05
0.00000001	0.000000005	Avnet Inc	0.00	0.0	300	0.00000001	0.000000005	0.02
0.000000005	0.000000002	Avnet Inc	0.00	0.0	310	0.000000005	0.000000002	0.01
0.000000002	0.000000001	Avnet Inc	0.00	0.0	320	0.000000002	0.000000001	0.005
0.000000001	0.0000000005	Avnet Inc	0.00	0.0	330	0.000000001	0.0000000005	0.002
0.0000000005	0.0000000002	Avnet Inc	0.00	0.0	340	0.0000000005	0.0000000002	0.001
0.0000000002	0.0000000001	Avnet Inc	0.00	0.0	350	0.0000000002	0.0000000001	0.0005
0.0000000001	0.00000000005	Avnet Inc	0.00	0.0	360	0.0000000001	0.00000000005	0.0002
0.00000000005	0.00000000002	Avnet Inc	0.00	0.0	370	0.00000000005	0.00000000002	0.0001
0.00000000002	0.00000000001	Avnet Inc	0.00	0.0	380	0.00000000002	0.00000000001	0.00005
0.00000000001	0.000000000005	Avnet Inc	0.00	0.0	390	0.00000000001	0.000000000005	0.00002
0.000000000005	0.000000000002	Avnet Inc	0.00	0.0	400	0.000000000005	0.000000000002	0.00001
0.000000000002	0.000000000001	Avnet Inc	0.00	0.0	410	0.000000000002	0.000000000001	0.000005
0.000000000001	0.0000000000005	Avnet Inc	0.00	0.0	420	0.000000000001	0.0000000000005	0.000002
0.0000000000005	0.0000000000002	Avnet Inc	0.00	0.0	430	0.0000000000005	0.0000000000002	0.000001
0.0000000000002	0.0000000000001	Avnet Inc	0.00	0.0	440	0.0000000000002	0.0000000000001	0.0000005
0.0000000000001	0.00000000000005	Avnet Inc	0.00	0.0	450	0.0000000000001	0.00000000000005	0.0000002
0.00000000000005	0.00000000000002	Avnet Inc	0.00	0.0	460	0.00000000000005	0.00000000000002	0.0000001
0.00000000000002	0.00000000000001	Avnet Inc	0.00	0.0	470	0.00000000000002	0.00000000000001	0.00000005
0.00000000000001	0.000000000000005	Avnet Inc	0.00	0.0	480	0.00000000000001	0.000000000000005	0.00000002
0.000000000000005	0.000000000000002	Avnet Inc	0.00	0.0	490	0.000000000000005	0.000000000000002	0.00000001
0.000000000000002	0.000000000000001	Avnet Inc	0.00	0.0	500	0.000000000000002	0.000000000000001	0.000000005

NYSE Monday's Closing

Tables include the nationwide price up to the closing on Wall Street and do not reflect intra-trading elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last Sale, Open, Close. Lists various stocks and their prices.

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BA: Pioneering the New Empire of Minority Stakes Throughout the World

Continued from Page 9
analyst at Swiss Bank Corp. in London. The plating weakness in BA's strategy is that, of necessity, it rests on the treacherously uncertain footing of minority stakes rather than outright control.

two future investment tranches to over 30 percent. The final tranche would give BA what it has long sought, the power to veto major board decisions. The absence of such power is widely seen as having cost KLM Royal Dutch Airlines millions in its minority investment in North-west Airlines.

Yamaichi Securities. "They have had a major cash outflow into investments that are out of their control." Merely monitoring their new holdings, much less pulling them together into a cohesive whole, also eats deeply into the daily diaries of BA executives. Coordinating groups and sub-groups have been set up and endless meetings must be attended. Sir Colin, for instance, already plans to attend all six USAir board meetings every year plus a couple of the four at Quantas.

—ERIK IPSEN

INTERNATIONAL FUNDS

Quotations supplied by funds Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.

The symbols signify frequency of quotation: (d) - daily; (w) - weekly; (b) - bi-monthly; (m) - monthly; (q) - quarterly; (y) - yearly.

Table listing various international funds with columns: Fund Name, Div, Yld, PE, 1993 High, Low, Last Sale, Open, Close.

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SPORTS BASEBALL

Yankees Set Up A Showdown With Red Sox at Fenway

The Associated Press
The stage at Fenway Park is all set for the chapter of the Yankees-Red Sox feud.
One of the most storied rivalries in baseball history picks up again for a three-game series starting Tuesday night. The two teams are fighting with Toronto and Baltimore for first place in the American League East.
After the Yankees, the Blue Jays stop by for a three-game series.
The Yankees gained some ground on the Red Sox by beating



Snaring the throw, Chicago's Joey Cora couldn't stop the steal at second by the Angels' Luis Polonia.

AL ROUNDUP

Minnesota, 8-6, in 10 innings at the Metrodome on Sunday, while Boston lost at Tiger Stadium.
Don Mattingly hit a two-run homer with one out in the 10th to lift the Yankees. Mattingly had three hits and four RBIs as New York salvaged the last contest of a three-game series.
Steve Farr pitched two innings for the victory, despite blowing a save opportunity in the ninth when the Twins scored the tying run.
With one out in the 10th, Randy Velarde singled off Rick Aguilera and Mattingly followed with his 12th homer, a high fly down the right-field line.
"I feel good about today, but I'll walk right out of here and it's over and it'll be another game," Mattingly said. "We're in a pennant race and I'm trying to be up for that challenge each day."
Brewers 5, Blue Jays 2: Greg Vaughn hit two home runs and also scored after being hit by a pitch, leading Milwaukee over Toronto. The last-place Brewers won two of three at the SkyDome.
Ricky Bones pitched the first complete game of his career, giving up seven hits and striking out four.
Vaughn hit a solo homer in the second. He was hit in the left elbow in the fourth and later scored on a double-play grounder and hit his 24th homer in the sixth.
Angels 2, White Sox 1: Mark Langston pitched four-hit ball for 7 1/3 innings as California beat first-place Chicago at Comiskey Park. The White Sox have lost four of their last five games.
Langston gave up one run and four walks, while striking out five to go to 3-0 against Chicago in 1993. Mike Butcher got the final four outs for his fifth save.
Rangers 7, Mariners 1: In Arlington, Texas, Seattle reliever Brad Holman was hit in the forehead by a line drive, apparently fracturing his sinus cavity in the Mariners' loss to Texas.
Holman, who was hit by Mario Diaz's liner in the seventh, was awake and alert at a local hospital after being taken off the field on a stretcher, and a Mariners' spokesman said a CAT scan revealed "no serious injury."
Juan Gonzalez hit his AL-leading 33d home run and rookie Steve Dreyer won his major-league debut for Texas. Ken Griffey Jr. tied a Mariners record with his 32d home run in the ninth, matching the team mark set by Gorman Thomas in 1985. But Griffey had his AL record of 573 consecutive chances

without an error end in the third when he misplayed a single to center by Gary Redus.
In earlier games, reported in some Monday editions:
Orioles 7, Indians 6: Mike Devereaux's sacrifice fly with one out in the 11th inning against visiting Cleveland gave Baltimore its seventh straight victory.
With one out, Mark McLemore doubled off the right-center field wall and advanced to third on a wild pitch by Eric Plunk. Devereaux then lifted a fly ball to medium right field and Wayne Kirby's throw home was wide.
Tigers 5, Red Sox 1: In Detroit, Cecil Fielder ended a slump with two homers and five RBIs and former Sox Tom Bolton gave up one run in eight-plus innings.
Bolton gave for the first time since April 26, allowing five hits and one walk. He struck out four while starting for the injured David Wells.
Detroit took a 1-0 lead off John Dopper when Fielder led off the second with his 27th homer, a shot deep into the left-field upper deck. It was his first homer since July 26, ending a streak of 11 games. He hit his 28th homer in the seventh, a three-run shot.
Royals 4, Athletics 3: Rico Rossy hit a bloop two-run single in the fourth and later scored on Brian McRae's RBI single to lead Kansas City to victory in Oakland.
Hipolito Pichardo got relief help from Mark Gubicza, Stan Belinda and Jeff Montgomery for only his second victory in seven starts. Montgomery got the last four outs for his AL-leading 34th save.
Troy Neel drove in all three Oakland runs. Ron Darling allowed nine hits in his first complete game in 34 starts.

Victory Handshake for Rockies' Sanford

The Associated Press
After more than a week with the Colorado Rockies, Mo Sanford was missing a really strong handshake.
Sanford helped end the Rockies' 13-game losing streak — the longest in the majors this season — by throwing seven strong innings in a 5-2 victory Sunday over the Padres in San Diego.
Sanford's contract was purchased from Colorado Springs on July 29. The Rockies hadn't won since beating St. Louis in Denver on July 24.
"I was telling the guys that I haven't shaken any hands after the game since I've been here," Sanford said. "I wanted to win really bad. I'm not going to say I took it on myself to win, but I just wanted to keep the team real close so we'd have a chance to win."
Sanford had plenty of help.
Vinnie Castilla had a two-run triple, Danny Sheaffer two RBIs and Charlie Hayes doubled twice and scored two runs.
The Rockies seemed rejuvenated after having Saturday off. Hayes legged out a double in the second, although he was later thrown out at the plate, he was just out there trying to set the pace.
"I was just in it done," Hayes said. "Dragging around, feeling sorry for yourself, there was no reason to. We've just got to keep going hard. I didn't think it could get any worse."
Sanford, making his second start and third appearance for the Rockies, allowed one earned run on five hits, struck out five and walked five. The Rockies took a 3-0 lead with two outs in the fourth. Sheaffer singled for the first run

before Castilla's two-run triple, which short-hopped off Phil Plantier's glove and rolled to the left-field fence. Hayes doubled leading off the sixth, moved up on Jerald Clark's ground-out and scored on Sheaffer's sacrifice fly to make it 5-1.
Tony Gwynn scored San Diego's first run in the fourth when Derek Bell hit into a double play. Alex Cole added another run for Colorado in the fifth, scoring before Daryl Boston was thrown out trying to steal second, completing an inning-ending double play.
Astros 4, Giants 1: Mark Portugal improved to 10-3 lifetime against the Giants and earned his fifth straight victory for Houston. The Astros got home runs from Jeff Bagwell, Scott Servais and Steve Finley to take two of three games at Candlestick Park.
Mariners 6, Phillies 5: Charlie Honch, 45, allowed five runs in 6 1/3 innings and Bryan Harvey recorded his 34th save as Florida beat visiting Philadelphia, taking two of three in the series. The Mariners got homers from Benito Santiago, Henry Cotto and Bret Barbee off Terry Mulholland.
Hough survived home runs by Pete Incaviglia and Mariano Duncan for his first victory over the Phillies since May 7, 1976.
Reds 8, Dodgers 5: Brian Dorsett and Jeff Branson hit two-run singles, and Cincinnati rallied from five runs down with consecutive four-run innings at Dodger Stadium.

Reliever Johnny Ruffin, making his major-league debut, won by pitching a scoreless fifth before the Reds took the lead.
In earlier games, reported in some Monday editions:
Braves 3, Expos 2: Ron Gant hit a two-run homer and drove in all of Atlanta's runs in support of Steve Avery as the Braves ended a three-game losing streak.
Gant's 27th homer — his second in two games — broke a 1-1 tie in the fifth against Jeff Fassero, ending the left-hander's six-game winning streak. Larry Walker homered and drove in the runs for visiting Montreal.
Cubs 2, Cardinals 1: In St. Louis, winning pitcher Greg Hibbard's first major-league hit drove in Chicago's winning run, and he combined with Randy Myers on an eight-inning bid.
Hibbard was 0-for-37 with no RBIs in his three years before doubling over right fielder Mark Whiten's head to break a 1-1 tie in the sixth. Hibbard allowed seven hits in 7 1/3 innings, and Myers pitched out of jam in the ninth for his 35th save.
Sammy Sosa lead off the sixth with a bunt single and was at second base with two outs when Douvan Osborne intentionally walked Steve Lake. But Hibbard lined the first batted ball, who was playing shallow.
Firettes 3, Mets 2: Zane Smith allowed five hits, and Jeff King drove in the decisive five runs with Pittsburgh's fourth straight hit of the fifth inning. Smith had a season-high nine strikeouts in his first complete game since July 1, 1992.

NL ROUNDUP

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Nick Price: The Nice Winner

By Jaime Diaz
New York Times Service
NEW YORK — For nearly a decade on the PGA Tour, Nick Price was known as easygoing, megatalented and too nice to know how good he was. And as much as his fellow golfers liked him, they hoped he never found out.
Although he could strike the ball as purely as anyone, Price had the reputation of habitually falling just short. It began when he gave Tom Watson a British Open in 1982 by squandering a three-stroke lead with seven holes to play, and took on added weight when Seve Ballesteros made everything in sight in the final round to nip him by a stroke at the 1988 British Open.
Neither outcome seemed to make Price angry. To all outward appearances, the amiable man who grew up in the former Rhodesia and now lives in Florida did not seem too upset that he didn't win an official tournament from 1983 through 1990.
But inside, it turns out, Price was seething, and he broke the drought with a vengeance when he won two tournaments in 1991. Then, Price came through with the finest performance of his career, winning the 1992 PGA Championship in St. Louis for his first major championship.
That victory, which he will defend when the 75th PGA Championship begins Thursday at the Inverness Club in Toledo, Ohio, changed the way Price is perceived and the way he perceives himself. At 36, he is still the nicest of men, but the worst fears of his peers have been realized.
Very simply, Price has been the best golfer in the world in 1993. He has won four tournaments on the PGA Tour, giving him six victories in the past 11 months, the biggest of which was the Players Championship in March. Most impressively, he has won the last three PGA Tour events he has played in the Canon Greater Hartford Open, the Sprint Western Open, and the Federal Express St. Jude Classic.
If he wins at Inverness, Price will become the first player to win four straight tour events since Jack Burke did it in 1952. Price would also be the first player on the PGA Tour to win five events in a year since Tom Watson won six in 1980.
"I'm realizing a dream here," Price said by phone from his home in Florida last week. "And I just want to hang onto it and keep it going."
Price's performance has earned the authority of virtuosity. He won the Players Championship by five strokes, the Western by five and Memphis by three. He leads the PGA Tour in money winnings with \$1,225,879, in scoring with an average of 68.84, and in total driving, which statistically combines distance and accuracy. Over the 12 rounds of his three consecutive victories, his average is a blistering 67.16.
Price still says Nick Faldo is the best player in the world because of the Englishman's record in major championships over the past four years. But to many, Nick and Nick are running neck and neck. And a victory in Toledo might change even the opinion of the self-effacing Faldo.
"It's quite weird, in a sense," said Price. "I sometimes think, 'Why is it all happening this way all of a sudden?' But then I realize, that it didn't happen in one year. It's the culmination of hard work over a lot of years."
That began when Price, whose parents moved from South Africa to what is now Zimbabwe when

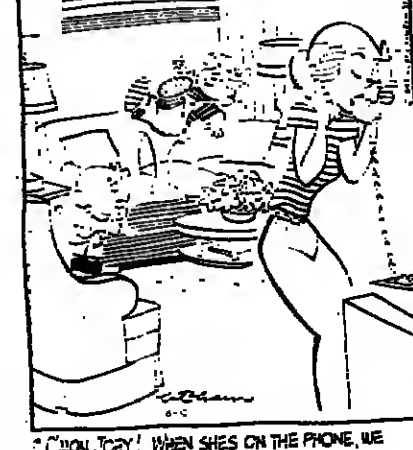
Nick was a child, first realized at 14 that it was possible to make a living playing the game he loved. Three years later, when he won the Junior World in San Diego at the age of 17, his career path was clear. Price's progress was delayed when he joined the Rhodesian Air Force in 1976. He says the experience was valuable for the toughness and perspective it provided.
"It instilled some discipline and organization," said Price, who still wears his hair short and still loves to co-pilot jets when the opportunity presents itself. "I know for the rest of my life, I'll always have that little bit of military in me, and that is a great thing. It was also the greatest learning experience of my life. Three friends of mine were killed. I learned there was more to life than golf."
Upon leaving the military, Price turned professional and joined the European PGA Tour. He won the Swiss Open in 1980, qualified for the PGA Tour in 1983, and promptly won the World Series of Golf by four strokes over Jack Nicklaus.
Big things were expected, but instead of progressing, Price got the reputation as a loser. Until 1990, he never won, never finished better than 22d on the money list, and never seemed to make a big putt.
"I might not have shown it, but I was tormented," he said. "It didn't matter how well I played, I would still finish second, third, fourth or fifth. For a long time I questioned my own heart and my own desire. People kept saying, 'He would be so much better if he had a winning instinct.' And I kept on saying, 'Man, I want to win.' It was very hard, because deep down inside of me, I always knew that I had what it took."
In retrospect, impatience more than complacency hurt Price. He does everything quickly — walking, talking, swinging, even smoking a cigarette. With age, which has brought marriage and two children, Price has learned to be patient, and to accept that he is a late bloomer.
With the help of his lifelong friend and coach, David Leadbetter, Price has built a swing that is the minimalist model of the leg-and-torso-driven modern action. With a sports psychologist, Bob Rotella, he has learned how to keep his mind from racing ahead of the shot at hand. And by following his own path of perseverance, he has taught himself how to win.
"One of the things I am doing so well now is I am focusing," he said. "My concentration on my target is so intense. I'm trying to give 110 percent to every shot."
Leadbetter, who has gained fame for his work in helping Faldo develop an ironclad swing, gives Price an edge in terms of producing consistently solid golf shots.
Price will be under more pre-tournament pressure than he has ever faced this week, but he isn't fearing the experience. The same kind of pressure discomfited him at this year's Masters, where he came in off his victory at the Players Championship as the favorite but wound up missing the cut. He chalked that up as a lesson learned.
"When it came down to the crunch, I missed the cut because I got caught up in things and didn't pay attention to what Nick Price was doing on the golf course," he said. "This week, I'm just going to concentrate on getting ball onto fairways, onto green and into hole. Because I know I'm playing well, I can win."

Mize Catches Zoeller for Buick Victory

Reuter
GRAND BLANC, Michigan — The former Masters champion Larry Mize quickly overcame a four-shot deficit, then hung on for a one-stroke victory over Fuzzy Zoeller at the Buick Open.
Mize caught a six-foot (two-meter) putt for par on the final hole to avoid a playoff on Sunday in this final warm-up for this week's PGA Championship.
Mize passed Zoeller, the overnight leader, after only five holes at Warwick Hills Country Club. But it was close thereafter and several players drifted into and out of contention.
Greg Norman, fresh from winning the British Open last month, parred the front nine, then stumbled into contention with seven birdies on the back nine for a seven-under-par 63, in a promising June-up for the year's final Grand Slam event, which starts Thursday.
But Norman finished third, two strokes behind Mize, who won his second title of the year with a 16-under 72. He shot 68 to Zoeller's 73 on Sunday.

Mize appeared to have a relatively easy two putts for victory at the final hole. But he struck a dreadful first putt from 25 feet that came up short, leaving the Georgian to sweat over his next putt, which he pulled slightly but still managed to sneak in the side door.
Mize's victory elevated him to 11th in the U.S. Ryder Cup standings. The top 10 players after the PGA Championship qualify for the American team, while captain Tom Watson will pick two others.

DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles. Write the letters in order in the empty boxes.

TUXEL
TAGOL
HECARB
FATOLA

Now arrange the unscrambled letters in form of the words. All 20 points will be given by the above cartoon.

Print answer here: _____

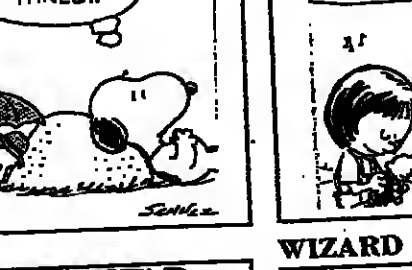
PEANUTS



BLONDIE



BEETLE BAILEY



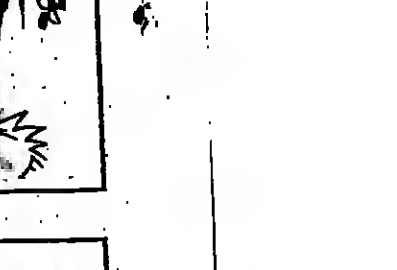
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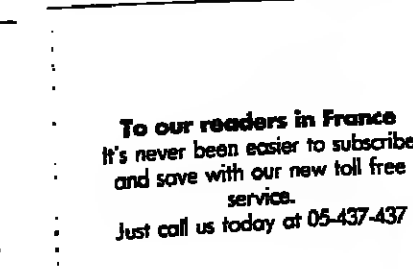
WIZARD of ID



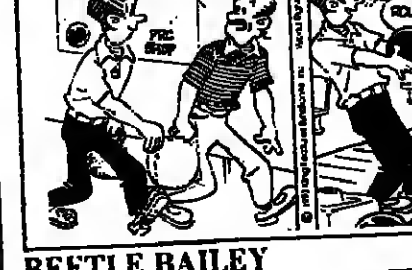
REX MORGAN



GARFIELD



REX MORGAN



GARFIELD



WIZARD of ID



REX MORGAN



GARFIELD



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ART BUCHWALD

The Price of Politics

WASHINGTON — More women are being appointed to the government than ever before. On paper, working for the present administration is a great idea, but it has its drawbacks, particularly if you are a lady and come from the old school of dating.



The problem is that anyone who works for the federal government can be entertained only to the tune of \$25 once a year. With restrictions like this, it is obvious that the Washington playing field is uneven for women.

Deborah Kleiman of the Environmental and Shallow Water Deep Sea Fishing Department told me how serious the restriction is. "I met this guy Tom from the Washington Post. He is the paper's workfish editor, so we had a lot in common. He took me to lunch, and when the check came he grabbed it. 'I didn't think anything of it until a week later when he had me out to dinner again. As soon as the bill came, he just stared at it like it was a dead snail. 'I don't know how to tell you this,' he said to me, 'but you've used up your entertainment allowance with me for the year. From now on you have to fly solo.' 'You mean you're not going to

Jurassic Park

LOS ANGELES — "Jurassic Park" has grossed more than \$400 million worldwide less than two months after its release. Universal Studios' dinosaur thriller took in more than \$287 million after 57 days in the United States and \$120 million in foreign countries where, in most cases, the film has played for less than a month. "Jurassic Park" is currently the third largest grossing movie of all time in the United States after "E.T." and "Star Wars."

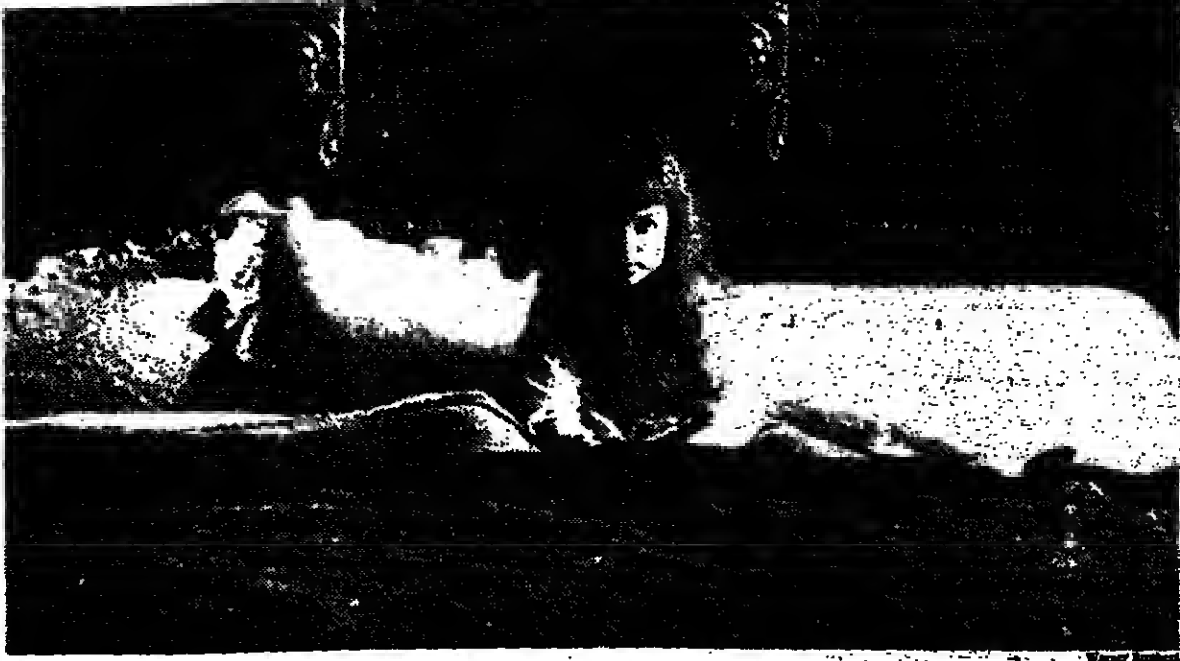
Secrets of Filming "The Secret Garden"

By Matt Wolf

LONDON — He gave shape to 80 years of Indian history in "Gandhi" and fashioned the elegant decor in "Dangerous Liaisons." For each he won an Academy Award. But in his new film, the production designer Stuart Craig faced a particularly difficult task — finding ways to make "The Secret Garden" fresh.

The source material, of course, is Frances Hodgson Burnett's beloved story of an orphan whose discovery of a hidden and neglected garden fills her deathly world with life. Published in 1911, the book has spawned adaptations as varied as a Margaret O'Brien film in 1949, a BBC children's special in 1975 and a 1991 Broadway musical.

The current version, from Francis Ford Coppola's film company American Zoetrope, was directed by the Polish filmmaker Agnieszka Holland ("Europa, Europa") with a cast including Maggie Smith as the housekeeper and a group of young unknowns. Craig, accordingly, knew that the secret garden itself — indeed, the entire look of the movie — must function as its star; this was a film as much about plants as people, about physical location as a gauge of spiritual growth.



Kate Maberly as Mary Lennox in "The Secret Garden": Brontë territory turned up a notch.

whole thing had to be raised" to film such "a delicate book." Craig said that Holland tried to avoid anything that might seem visually twee. "She was very aware of not delivering that Edwardian England we're all so familiar with," he said. "Her antennae were really twitching and smelling that out."

The goal was an unromantic re-imagining of potentially dew-drenched material, and for that the filmmakers chose Pinewood Studios, north of London. "I needed strong, simple shapes," Craig said, "and the only way to achieve that was to build a set."

where it was." Subsequent to filming, he recalled, "The tree put out another batch of leaves; I was rather glad to see the thing was alive."

Due to a mixture of uncooperative weather and delays in filming, Whittle spent about \$180,000 creating the garden. Craig said a "handsome" amount of the \$18 million budget of "The Secret Garden," which opens in the U.S. this week, went toward the production design. Research was limited to books on some of "the more architectural, more structured French gardens," he added, but even that was kept to a minimum. "I'm not sure we got the idea from any visual reference. Part

of the metaphor anyway is that you want it to be wild; the house is a prison, so you want to escape into the wilderness."

Recreating Misselthwaite Hall had its own challenges, from sleeping quarters to suits of armor. While both children's enormous beds look like antiques, they were, in fact, built for the movie.

Roy Burton, the film producer and now managing director of Warner Brothers U.K., said that what appears on film as Misselthwaite Hall is an amalgam of 18 locations. Exterior filming took place at three sites — Fountains Abbey, a 12th-century National Trust property in north Yorkshire that once belonged to Henry VIII; nearby Alnwick Hall, a privately owned neo-Gothic stately home; and Luton Hoo, an 18th-century Robert Adam house in Bedfordshire, north of London.

The interior of Misselthwaite used a similar potpourri of locations. The kitchen was, in fact, an old classroom at Eton College. With its guest, Jacobus Breijden, a room off the master's common room at Harrow School doubled as the study of Lord Craven (John Lynch), the master of Misselthwaite and Mary's uncle. And that character's climactic emotional outburst was shot on a marble staircase at the school.

Matt Wolf, an American theater critic and journalist based in London, wrote this for The New York Times.

PEOPLE

Quayle to Take a Crack At Working a Real Job

Don Quayle says he's going to take a shot at working for a living — at least until he decides whether to run for president. "I've been talking about the free enterprise system and entrepreneurship for 16 years in public life, and now I'm going to go out and try a little of it," Quayle told the Indianapolis Star. The former vice president will head an Indianapolis-based financial services company and will be working 40 hours a week. "I'm going to speak out and speak up," he said.

They're coming up all over the world for Madonna. More than \$2,000 tickets for her Madison Square Garden concert were sold Monday in just 80 minutes, prompting promoters to schedule a second show. Madonna will appear there on Nov. 26 and 27. In Mexico City, 50,000 tickets were sold out in just six hours for her Nov. 10 concert there, again prompting a second concert Nov. 12.

The soprano Montserrat Caballé, is out of the hospital, but her doctor-in-chief, Francisco told her to show Doctor Caballé, 60, was hospitalized last week with a minor heart problem. "And another celebrity might be out of the hospital soon. Doctor in Rimini, Italy, said Federico Fellini, 73, may be able to leave the hospital later this week. He was partially paralyzed by a stroke last week.

Bruce Lee's reading glasses sold for \$6,000, his Hong Kong driver's license \$8,000, and a handwritten note to himself in which he predicted he would become a superstar \$29,000 at a Beverly Hills auction.

Burt Reynolds has been telling his side of the story to the National Enquirer. Now his wife Lou Anderson is telling hers — to Good Housekeeping magazine. She says their five-year marriage is definitely over, but as for why he sought the divorce, she says, "I didn't have a clue. I still don't." She adds, "Burt's last words to me were 'You are the love of my life.'"

INTERNATIONAL CLASSIFIED

WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.



Table with weather forecasts for Europe, Asia, North America, Middle East, Latin America, and Oceania. Columns include High, Low, Wind, and Precipitation.

CROSSWORD

- ACROSS: 1 Home of amphibian fish king; 5 Reduce drastically; 10 Singaraja's island; 14 Author Paton; 15 Spend foolishly; 16 Whiffenpoofs; 17 Start of a quip; 20 Type of mitering; 21 Takes the lion's share; 22 'I'm on —' 'francus'; 23 Trig function; 24 Dug for quahogs; 25 Some name what; 26 In that place; 28 Manipulans; 31 Brooklyn; 32 Client's cost; 33 Oup; Part II; 34 E.M.K. is one; 40 Pope's caps; 41 Otherwise; 42 Word with fry or potatoes; 43 Tack part in a -vegete; 46 One held for ransom; 48 Bench warmers; 49 Wistary response; 51 A spouse; 52 End of the quip; 53 Earth, to Hans; 54 He wears a copical cap; 55 Outment source; 56 Not so much; 57 Prefix with posse; 58 File's partner; 59 Downton; 60 Not so much; 61 Prefix with posse; 62 File's partner; 63 Fie's partner; 64 Fie's partner; 65 Fie's partner; 66 Fie's partner; 67 Fie's partner; 68 Fie's partner; 69 Fie's partner; 70 Fie's partner; 71 Fie's partner; 72 Fie's partner; 73 Fie's partner; 74 Fie's partner; 75 Fie's partner; 76 Fie's partner; 77 Fie's partner; 78 Fie's partner; 79 Fie's partner; 80 Fie's partner; 81 Fie's partner; 82 Fie's partner; 83 Fie's partner; 84 Fie's partner; 85 Fie's partner; 86 Fie's partner; 87 Fie's partner; 88 Fie's partner; 89 Fie's partner; 90 Fie's partner; 91 Fie's partner; 92 Fie's partner; 93 Fie's partner; 94 Fie's partner; 95 Fie's partner; 96 Fie's partner; 97 Fie's partner; 98 Fie's partner; 99 Fie's partner; 100 Fie's partner.

Solution to Puzzle of Aug. 9

SAGE ADMIT ALTO OWES OVECE NOAH FOOTBALLSTADIUM ALLERGIC RESTS ROY HARRIS TOMATO BAA SMU ASISE PRONO TOM BASKETBALLIOWING OKE BRASE ASTI OAR GAM TENSED TOMES BERT APION ULTIATE BASKETBALLCOURT BRAV NORS BEEF BEIRO TATTAH AREA

Crossword puzzle grid with clues and solutions. Includes 'Down' clues and a 'New York Times' logo.

If you're going to travel all over the map, here's how to call from almost any point on it.



Table of AT&T Access Numbers for various international locations including Australia, Canada, Europe, and Japan.

AT&T provides you with all your longdistance, just did the AT&T access number of the country you're calling from for quick, clear connections back to the U.S. and lots of other countries. International calling made simple as all part of 'The J Plan' from AT&T.

